

AUDIT TERMS OF REFERENCE

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| Topic: | Management of Performance Indicators |
| T o R Version: | 1.0 |
| Audit Manager: | Mick Ahern |
| Auditor: | |
| Date: | 13.08.07 |
| Background: | Audit included in Audit Plan, for completion in 2007/08 |
| Objective: | To assure NCH that the recommendations from the recent Housemark Report have been implemented, to ensure that the performance indicators that are being produced are accurate. |
| Main Risks: | The performance indicators produced are not of sufficient quality to enable NCH to have confidence in the information produced |
| Scope: | <p>This has been initially agreed with Neil Barks, the Performance Manager of NCH. He has indicated that NCH need to be able to rely on the information provided in the regular performance reports.</p> <ul style="list-style-type: none"> ○ Obtain the Housemark report on Performance Indicators ○ Follow up the key recommendations from the report and ensure that appropriate and timely action is being taken or has been identified. ○ Sample check to determine the quality and accuracy of the data ○ Liaise with the relevant data owners |
| Approach: | <p>A standard audit approach will be followed for this review which will include:-</p> <ul style="list-style-type: none"> ● Discussions with appropriate employees at both NCH and NCC to determine the actual systems and controls in place and to establish any areas of particular concern; ● Documenting the systems in place; ● Undertaking testing on a sample basis, in order that conclusions can be made as to the effectiveness of the controls in operation. |

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| | <p>Note that following the initial meetings with staff the scope may be changed to reflect any issues arising from these meetings. The revised scope will be agreed with the Performance Manager at NCH.</p> <p>Following completion of the audit work a discussion draft report will be produced and will be discussed and agreed with the Performance Manager at NCH. A Final Audit Report will then be produced.</p> |
| Principal Auditee: | Neil Barks |
| Final Report to: | Performance Manager / Audit Committee |
| Timescale: | Report by early December 2007 |