



INTEGRATION JOINT BOARD AUDIT COMMITTEE ARRANGEMENTS

Aim

- 1.1 The purpose of this report is to recommend the establishment of an Audit Committee for the Scottish Borders Health and Social Care Integration Joint Board (IJB) and to agree the Terms of Reference for the IJB Audit Committee.

Background

- 2.1 The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and establishes the framework for Integration of Health and Social Care in Scotland. The Scottish Government established the Integrated Resources Advisory Group (IRAG) to develop professional guidance. This guidance outlines that it is the responsibility of the Integration Joint Board to make appropriate and proportionate arrangements for consideration of the audit provision and annual financial statements which are compliant with good practice governance standards in the public sector.
- 2.2 The Integration Joint Board is required to comply with The Local Authority Accounts (Scotland) Regulations 2014.

Summary

- 3.1 In order to comply with the Regulations, it is proposed that the Integration Joint Board establishes an Audit Committee as part of its governance arrangements.
- 3.2 The Health and Social Care Integration Scheme for the Scottish Borders, which is anticipated to be approved on 8 February 2016, states that the Integration Joint Board (IJB) may establish an Audit Committee to seek and secure assurance over effective governance and to focus on financial, audit and governance matters, including (where necessary) making recommendations. The Integration Joint Board will require to establish a forum where these issues are discussed and it is recommended that an Audit Committee is established which will meet at least twice per year. This will include any reports from Internal Audit and External Audit and the annual accounts.
- 3.3 The role of the Audit Committee will be to provide high-level oversight of the IJB's governance, risk management and control frameworks and to oversee the financial reporting and annual governance processes. It will receive reports from Internal Audit and External Audit, helping to ensure efficient and effective assurance

arrangements are in place.

- 3.4 It will be the responsibility of the Integration Joint Board to agree the membership having regard to the agreed remit, skills and good practice for a public sector Audit Committee¹.
- 3.5 IRAG in its Guidance for Integration Financial Assurance recognises that the post-integration period is a critical stage of the change process and the IJB Audit Committee has a key role in ensuring that an effective assurance process is in place to enable the IJB to fulfil its objectives through the assessment of the resources delegated to it, the financial, legal and operational risks, and post integration performance results. IRAG has recommended that the IJB Audit Committee is provided with a post integration report within the first year of the establishment of the IJB to evaluate the actual risk and financial performance against the post-integration assumptions, performance on relevant integration milestones, identify lessons learned and assess whether the IJB is on course to deliver long term benefits. The results of this review should be shared with the Scottish Government to enable wider learning.
- 3.6 The draft Terms of Reference for the Integration Joint Board Audit Committee is presented as Appendix 1 to this report.

Recommendation

The Health & Social Care Integration Joint Board is asked to:

- **Agree** to establish an Audit Committee as part of the governance arrangements of the Health and Social Care Integration Joint Board; and
- **Approve** the Terms of Reference of the IJB Audit Committee as detailed in Appendix 1 of this report.

Policy/Strategy Implications	The establishment of an Audit Committee is one of the key components of good governance. In compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
Consultation	Members of the Integration Programme Board have been consulted on the report. The report has also been reviewed by and approved by relevant Management Teams within both partner organisations.
Risk Assessment	Approval of the establishment of the IJB Audit Committee will ensure that the Integration Joint Board complies with its Scheme of Integration and professional

¹ On Board: A Guide for Board Members on Public Bodies in Scotland, 2006 , section 4.8 Audit Committees
<http://www.scotland.gov.uk/Topics/Government/public-bodies/On-Board>

	guidance issued by the Integrated Resources Advisory Group (IRAG) and operates in compliance with The Public Bodies (Joint Working) (Scotland) Act 2014.
Compliance with requirements on Equality and Diversity	It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.
Resource/Staffing Implications	There are no direct financial implications arising from the proposals in this report. However it should be noted that provision of committee support services to the IJB and its committee(s) will be required.

Approved by

Name	Designation	Name	Designation
Susan Manion	Chief Officer Health and Social Care Integration		

Author(s)

Name	Designation	Name	Designation
Jill Stacey	Chief Officer Audit and Risk		

**SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD
(IJB)
AUDIT COMMITTEE TERMS OF REFERENCE****Constitution**

The IJB shall appoint the Committee. The Committee will consist of at least four voting members of the IJB, excluding professional advisors. The Committee should agree the professional advisors it requires on a regular and adhoc basis. The Committee is required to review its terms of reference on an annual basis.

The Committee will meet at least twice per annum. The Committee will be supported and serviced by the Chief Financial Officer. The Audit Committee should report to the IJB.

Chair

The Chair of the Committee will be a voting member nominated by the IJB, noting that the Chair of the IJB cannot also chair the Audit Committee.

Quorum

Three members of the Committee will constitute a quorum.

Functions Referred

The following functions of the IJB shall stand referred to the Audit Committee -

1. Assess the adequacy and effectiveness of the IJB's internal controls and corporate governance arrangements against the good governance framework and consider the annual governance reports and assurances to ensure that the highest standards of probity and public accountability are demonstrated;
2. Ensure existence of and compliance with an appropriate Risk Management Strategy. Review risk management arrangements and receive regular risk management updates and reports;
3. Review and approve the Internal Audit Annual Plan on behalf of the IJB, receive reports and oversee and review progress on actions taken on audit recommendations and report to the IJB on these as appropriate;
4. Consider the External Audit Annual Plan on behalf of the IJB, receive reports and consider matters arising from these and management actions identified in response before submission to the IJB;
5. Consider annual financial accounts and related matters before submission to and approval by the IJB; and
6. Promote the highest standards of conduct and professional behaviour by IJB members in line with The Ethical Standards and Public Life etc (Scotland) Act 2000.
7. The committee is responsible for ensuring best value for those delegated functions.
8. The Committee is authorised by the IJB to investigate any activity within its terms of reference, and in so doing, may seek any information it requires.