

## CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2013 Edition

### Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 25 June 2018

Audit committee purpose and governance	Yes/Partly/No	Comments
Does the integration authority have a dedicated audit committee?	Yes	The IJB Audit Committee has been constituted with a Terms of Reference and has periodic meetings during the year in line with the Audit Cycle.
Does the audit committee report directly to full Board?	Yes	IJB full Board approves Minutes of each IJB Audit Committee meeting.
Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement	Yes	Review has been completed by IJB Chief Internal Auditor against CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2013 (CIPFA guidance 2013 'audit committees').
Is the role and purpose of the audit committee understood and accepted across the integration authority?	Yes	IJB Audit Committee has been constituted with a Terms of Reference and has periodic meetings during the year in line with the Audit Cycle which are regularly attended by the IJB's Chief Officer, Chief Finance Officer, Chief Internal Auditor and External Auditor.
Does the audit committee provide support to the integration authority in meeting the requirements of good governance?	Yes	The IJB Audit Committee is a key part of the IJB's governance framework as outlined in the IJB Local Code of Corporate Governance (approved 28 August 2017). The role of the IJB Audit Committee is to have high-level oversight of the IJB's internal control, governance and risk management and its remit includes promotion of the highest standards of conduct and professional behaviour.
Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Partly	The IJB Audit Committee reviewed its terms of reference as part of the 2017/18 self-assessment of performance against best practice checklists. In addition an Annual Report will be presented to the IJB setting out the activities to enable stakeholders to understand how the IJB Audit Committee has discharged its duties and to identify areas of improvement to fulfil its remit. This will be adopting best practice.

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Functions of the committee	Yes/Partly /No	Comments
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Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?

- |                                 |                              |                                      |
|---------------------------------|------------------------------|--------------------------------------|
| • good governance               | <input type="checkbox"/> Yes | Included in function no. 1           |
| • assurance framework           | <input type="checkbox"/> Yes | Included in all aspects of functions |
| • internal audit                | <input type="checkbox"/> Yes | Included in function no. 3           |
| • external audit                | <input type="checkbox"/> Yes | Included in function no. 4           |
| • financial reporting           | <input type="checkbox"/> Yes | Included in function no. 5           |
| • risk management               | <input type="checkbox"/> Yes | Included in function no. 2           |
| • Value for money or best value | <input type="checkbox"/> Yes | Included in function no. 7           |
| • Counter-fraud or corruption   | <input type="checkbox"/> Yes | Implicit in functions nos. 1 & 8     |

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Functions of the committee (cont'd)	Yes/Partly /No	Comments
Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	Partly	The IJB Audit Committee reviewed how it has fulfilled its terms of reference during the 2017/18 self-assessment of performance against best practice checklists.
Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	Yes	Review has been completed by IJB Chief Internal Auditor against CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2013 (CIPFA guidance 2013 'audit committees'). In the context of health and social care integration reliance is placed on partners' audit committees fulfilling their functions.
Where coverage of core areas has been found to be limited, are plans in place to address this?	Yes	The Assurance Framework and the Audit Cycle that define the programme of work for the IJB Audit Committee are included in the Induction training pack along with Essential Questions for the Committee members to ask those charged with governance when considering the relevant reports as part of the Audit Cycle (under the three topics of Internal Control, Risk Management, and Governance).
Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Yes	The IJB Audit Committee reviewed adherence to its terms of reference during the 2017/18 self-assessment of performance against best practice checklists.

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Membership and support	Yes/Partly /No	Comments
Has an effective audit committee structure and composition of the committee been selected?	Partly	1 <sup>st</sup> bullet point – The scrutiny arrangements in place, which are based on legislative requirements, do not meet with generally accepted principles of good practice.
This should include:		2 <sup>nd</sup> & 3 <sup>rd</sup> bullet points – The IJB shall appoint the Committee which will consist of at least four voting members of the IJB, excluding professional advisors.
<ul style="list-style-type: none"> <li>• separation from the executive</li> <li>• an appropriate mix of knowledge and skills among the membership</li> <li>• a size of committee that is not unwieldy</li> <li>• where independent members are used, that they have been appointed using an appropriate process.</li> </ul>		4 <sup>th</sup> bullet point – no independent members are used (consideration was given as part of 2017/18 self-assessment and as an improvement the proposal to co-opt independent member to the IJB Audit Committee would be recommended to the full IJB Board).
Does the chair of the committee have appropriate knowledge and skills?	Partly	As below, plus meetings with Chairs of IJB, SBC and NHS Borders' Audit Committees to share information and place reliance on assurance. As an improvement from the 2017/18 self-assessment, pre-meetings with the Chair of the IJB Audit Committee will be arranged with Chief Internal Auditor.
Are there arrangements in place to support the committee with briefings and training?	Partly	There is a comprehensive Induction Programme for those appointed to the IJB Audit Committee including: Outline of Corporate Governance; role of the IJB Audit Committee; role of Internal and External Audit; Assurance Framework; and Audit Cycle. As improvement from the 2017/18 self-assessment: IJB Audit Committee members will utilise the Knowledge and Skills Framework to inform future learning and development needs; and Informal Sessions usually prior to each IJB Audit Committee meeting will be used for the purpose of briefing and training to coincide with the Audit Cycle.
Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	No	As an improvement from the 2017/18 self-assessment, IJB Audit Committee Members will utilise the Knowledge and Skills Framework to inform their learning and development needs.
Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	Yes	Members, in particular the Chair of the IJB Audit Committee, utilise opportunities to meet with or email, as required, the key people involved in the IJB's governance for advice and support e.g. Chief Officer, Chief Finance Officer, Chief Internal Auditor, External Auditor and Secretary.
Is adequate secretariat and administrative support to the committee provided?	Yes	A Secretary is assigned to the IJB Audit Committee.

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Effectiveness of the committee	Yes/Partly/No	Comments
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	No	As an improvement from the 2017/18 self-assessment the IJB Audit Committee will obtain feedback on its performance from a range of attendees who interact with the Committee on a periodic basis.
Has the committee evaluated whether and how it is adding value to the organisation?	Partly	The IJB Audit Committee during its 2017/18 self-assessment utilised the toolkit 'Evaluating the Effectiveness of the Audit Committee' from the CIPFA guidance 2013 'audit committees' to consider how it is adding value to the IJB.
Does the committee have an action plan to improve any areas of weakness?	Partly	The IJB Audit Committee identified areas where it could improve in respect of its scrutiny and challenge role to fulfil its remit during its 2017/18 self-assessment against best practice checklist.



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