

**SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD
IJB AUDIT COMMITTEE
ANNUAL REPORT FROM THE CHAIRMAN – 2019/20**

This annual report has been prepared to inform the Scottish Borders Health and Social Care Integration Joint Board of the work carried out by its Audit Committee during the financial year. The content and presentation of this report meets the requirements of the CIPFA ‘Audit Committees’ Guidance to report to the full Board on a regular basis on the Committee’s performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose.

Meetings

The IJB Audit Committee has met 4 times during the financial year on 5 June, 12 August and 9 December 2019, and 9 March 2020 to consider reports pertinent to the audit cycle.

The remit of the IJB Audit Committee is to have high level oversight of the IJB’s framework of internal financial control, corporate governance, risk management systems and associated internal control environment. To fulfil this remit, it sought assurance on the adequacy and effectiveness of IJB’s systems of corporate governance and internal control for efficient operations and for the highest standards of probity and public accountability. It did this through material it received from Internal Audit (provided by SBC’s Internal Audit team), External Audit (delivered by Audit Scotland), other external scrutiny and inspection agencies, and assurances from Management.

The Committee scrutinised the IJB’s Statement of Accounts at appropriate times in accordance with its Terms of Reference, which also includes promotion of the highest standards of conduct and professional behaviour.

The Minutes of IJB Audit Committee meetings were presented for approval by the IJB, and the Committee referred any exceptional items to the IJB in accordance with its remit.

Membership

The Membership of the IJB Audit Committee is set out within its Terms of Reference, namely “at least four voting members of the IJB”. This structure, which is based on legislative requirements, does not meet with independence principles of good practice within CIPFA ‘Audit Committees’ Guidance. In addition, an Independent Member has been appointed from an external source as a non-voting member to enhance independence of the IJB Audit Committee’s role in the scrutiny process.

The Committee membership during the year was Councillor T Weatherston (Chairman), Councillor J Greenwell, Mr M Dickson, Mrs K Hamilton, Mr A Clark (Independent Member October 2018 to October 2019) and Mr J Wilson (Independent Member from February 2020).

The attendance by each member at the Committee meetings throughout the year was as follows:

| Member | Meeting of 5 June 2019 | Meeting of 12 August 2019 | Meeting of 9 December 2019 | Meeting of 9 March 2020 |
|-----------------------------------|-------------------------------|----------------------------------|-----------------------------------|--------------------------------|
| Cllr T Weatherston (Chair) | Present | Present | Present | Present |
| Cllr J Greenwell | Present | Present | Present | Present |
| Mr M Dickson | Present | Present | Present | Present |
| Mrs K Hamilton | Apologies | Present | Apologies | Present |
| Mr A Clark | Present | Apologies | | |
| Mr J Wilson | | | | Present |

Every meeting of the IJB Audit Committee in 2019/20 was quorate (i.e. at least three Members present).

All other individuals who attended the meetings are recognised as being “in attendance” only. The Chief Officer, Chief Financial Officer, Chief Internal Auditor, external auditors, and the Secretary (provided by NHS Borders) attend all Committee meetings to support the Committee.

Skills and Knowledge

Given the wider corporate governance remit of IJB Audit Committees and the topics covered by the external and internal audit functions, it is noteworthy that there is a range of skills, knowledge and experience that IJB Audit Committee members bring to the committee, not limited to financial and business management. This enhances the quality of scrutiny and discussion of reports at the meetings. No one committee member would be expected to be expert in all areas.

Self-Assessment of the Committee

The annual self-assessment was carried out by members of the IJB Audit Committee on 9 March 2020 during an Informal Session facilitated by the IJB Chief Internal Auditor using the ‘Good Practice Principles Checklist’ and ‘Evaluation of Effectiveness Toolkit’ from the CIPFA ‘Audit Committees’ Guidance. This was useful for Members to ensure the Committee can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance for the IJB.

The outcome of the self-assessments for the Committee was a high degree of performance against the good practice principles and a medium, but improving, degree of effectiveness. The following improvement has been identified: utilise the Knowledge and Skills Framework to inform future learning and development needs of IJB Audit Committee members.

Assurance Statement to the Council

The IJB Audit Committee provides the following assurance to the Integration Joint Board:

- The IJB has received the Minutes of the IJB Audit Committee meetings throughout the year.
- The IJB Audit Committee has operated in accordance with its agreed terms of reference, and accordingly with the audit committee principles in CIPFA Position Statement.
- It did this through material it received from Internal Audit, External Audit, other audit and inspection bodies, and assurance from Management. It focussed entirely on matters of risk management, internal control and governance.
- For all audit reports, the IJB Audit Committee considered whether it was satisfied that an adequate Management response was in place to ensure action would be taken to manage risk and address concerns on internal controls and governance arrangements.
- The IJB Audit Committee has reflected on its performance during the year in respect of its Audit functions, and has identified areas for improvements.

Recommendations of the Terms of Reference for the IJB Audit Committee for the coming year

None.

Councillor Tom Weatherston
Chairman of IJB Audit Committee
May 2020