

**SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD  
AUDIT COMMITTEE  
ANNUAL REPORT FROM THE CHAIR – 2020/21**

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 5 times on a virtual basis during the financial year on 8 June, 31 August, 21 October (extraordinary meeting) and 7 December 2020, and 8 March 2021 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 through material it received from Internal Audit, External Audit, other external scrutiny and audit bodies, and from Management, and it placed reliance on the Partners' governance arrangements and assurance frameworks.

The Committee scrutinised the IJB's unaudited Annual Accounts 2019/20 in August 2020 and the audited Annual Accounts 2019/20 in October 2020, prior to their presentation for approval by the IJB, and in doing so promoted effective public reporting to the integration authority's stakeholders and local community. The Committee also reviewed the Annual Governance Statement therein to assess whether it properly reflects the risk environment and whether the content is consistent with its own evaluation of the governance arrangements, based on evidence received during the year.

The Committee approved the Plans for work delivered by Internal Audit (provided by SBC's Internal Audit team) and External Audit (provided by Audit Scotland). It considered reports by Internal Audit and External Audit on their findings, conclusions and recommendations arising from their work, monitored the implementation of recommendations arising from Internal Audit and External Audit work, and considered assurance from relevant Internal Audit reports by Partners' Internal Auditors presented to their respective Audit Committees.

The Committee considered relevant national reports that give rise to introducing best practice arrangements or lessons learned.

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

**Membership**

The IJB appoints members to its Audit Committee, which consists of "at least four voting members of the IJB, excluding professional advisors, and one independent member appointed from an external source" as set out within its Terms of Reference. The membership, which is based on legislative requirements, does not adhere to the independence principles of good practice within CIPFA 'Audit Committees' Guidance for audit committees to be independent from the decision-making body for effective scrutiny. The independence of the IJB Audit Committee's role in the scrutiny process is partly addressed through the appointment of an Independent Member, who was appointed from the community for a fixed period to 31 October 2021, following an external recruitment and selection process.

The Committee membership during the year was Mrs K Hamilton (Chair), Mrs S Lam, Councillor J Greenwell, Councillor T Weatherston, and Mr J Wilson (Independent Member).

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

Member	8 June 2020	31 August 2020	21 October 2020	7 December 2020	8 March 2021
Mrs K Hamilton (Chair)	√	√	√	√	√
Mrs S Lam	√	√		√	√
Cllr J Greenwell	√	√	√	√	√
Cllr T Weatherston	√	√	√	√	√
Mr J Wilson (Independent Member)	√	√	√	√	√

Every meeting of the IJB Audit Committee in 2020/21 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, those individuals fulfilling the Chief Financial Officer role, the 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 individual 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 8 March 2021 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 degree of effectiveness. The following improvements have been identified:

- Utilise the Knowledge and Skills Framework to inform future learning and development needs of IJB Audit Committee members.
- Set up Informal Sessions prior to each Committee meeting as an opportunity for Members to discuss matters privately with Internal and/or External Auditors or to engage with officers to clarify matters or to engage in IJB Audit Committee learning and development.
- Consider arranging a meeting of Chairs of IJB, SBC and NHS Borders audit committees as an opportunity to share practice and understand the governance arrangements and assurance frameworks of the Partners.

## **Assurance Statement to the IJB**

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 within the CIPFA Position Statement.
- It did this through material it received from Internal Audit, External Audit, other scrutiny and audit bodies, and assurance from Management, and it placed reliance on the Partners' governance arrangements and assurance frameworks. 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.
- There is effective engagement by the Members of the IJB Audit Committee including appropriate scrutiny and challenge and questions relating to the business on the agendas.
- 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.

Karen Hamilton  
Chair of IJB Audit Committee  
May 2021