

Scottish Borders Health and Social Care IJB Audit Committee

19 June 2023

IJB AUDIT COMMITTEE ANNUAL REPORT 2022/23 AND SELF-ASSESSMENT OUTCOMES



Report by Cllr Tom Weatherston, Chair of IJB Audit Committee

1. PURPOSE AND SUMMARY

- 1.1. **To provide Members with the IJB Audit Committee Annual Report 2022/23, which presents the Committee's performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose, based on the outcomes of its self-assessments.**
- 1.2. It is important that the IJB Audit Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance for the Scottish Borders Health and Social Care Integration Joint Board (IJB).
- 1.3. The CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (hereinafter referred to as CIPFA Audit Committees Guidance) includes the production of an annual report on the performance of the IJB Audit Committee against its remit for submission to the IJB. The Audit Committee Annual Report 2022/23 (Appendix 1) is presented for consideration to demonstrate this best practice.
- 1.4. The IJB Audit Committee carried out self-assessments of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit from the CIPFA Audit Committees Guidance during Development Sessions on 20 March 2023 facilitated by the IJB Chief Internal Auditor. The self-assessments are appended to this report as Appendix 2 (Good Practice Principles) and Appendix 3 (Effectiveness) for consideration. The outcome of the self-assessments was a high degree of performance against the good practice principles and a medium degree of effectiveness with evidence of improvement during the year. The Members of the IJB Audit Committee have identified further areas of improvement.

2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**
 - a) Approve the IJB Audit Committee Annual Report 2022/23 (Appendix 1) which presents the self-evaluation of the Committee's performance, effectiveness and areas of improvement, based on the outcomes of its self-assessments (Appendices 2 and 3) using the CIPFA Audit Committees Guidance; and
 - b) Agree that the IJB Audit Committee Annual Report 2022/23 (Appendix 1), which is designed to both provide assurance to the IJB and to identify actions to improve the IJB Audit Committee's effectiveness, should be presented to the IJB.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the IJB Audit Committee fulfilling its governance functions will indirectly impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
X	X	X	X	X	X

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
X	X	X	X	X	X

4. INTEGRATION JOINT BOARD DIRECTION

- 4.1 A Direction is not required. This is a routine good governance report for assurance purposes.
- 4.2 The Terms of Reference of the IJB Audit Committee includes the following function “9. Carry out the oversight and scrutiny of the implementation of the Strategic Commissioning Plan and the application of the Directions Policy. Monitor and review progress with the implementation of Directions made to partners to ensure that clarity and transparency can be demonstrated and is aligned to performance and financial reporting, and escalate key delivery issues to the IJB. Maintain independent oversight of progress against the Strategic Commissioning Plan, and provide assurance to the IJB thereon.”

5. BACKGROUND

- 5.1. It is important that the IJB Audit Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance for the Scottish Borders Health and Social Care Integration Joint Board (IJB).
- 5.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated guidance note Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (hereinafter referred to as CIPFA Audit Committees Guidance) which is deemed appropriate for the IJB under the legislative framework for integration authorities. It incorporates CIPFA’s view of the role and functions of an Audit Committee. The CIPFA Audit Committees Guidance includes the production of an annual report on the performance of the Audit Committee against its remit for submission to the IJB.

6. IJB AUDIT COMMITTEE SELF-ASSESSMENTS AND ANNUAL REPORT 2022/23

- 6.1. The IJB Audit Committee Annual Report 2022/23 is appended to this report (Appendix 1) for consideration to demonstrate the CIPFA Audit Committees Guidance best practice. The Members of the IJB Audit Committee engaged in the self-assessments of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit from the CIPFA Audit Committees Guidance during a Development Session held on 20 March 2023, which was facilitated by the IJB Chief Internal Auditor. The self-assessments are appended to this report as Appendix 2 (Good Practice Principles) and Appendix 3 (Effectiveness) for consideration.
- 6.2. The outcome of the self-assessments was a high degree of performance against the good practice principles and a medium degree of effectiveness with evidence of improvement during the year. The Members of the IJB Audit Committee have identified further areas of improvement.
- 6.3. The IJB Audit Committee Annual Report 2022/23 is designed both to provide assurance to the IJB's full Board on the effectiveness of the Audit Committee in meeting its purpose and to provide some actions for the Committee to further improve its effectiveness.

7. IMPACTS

Community Health and Wellbeing Outcomes

- 7.1. This is a routine good governance report for assurance purposes and, as a result, assessment of the impact on the National Health and Wellbeing Outcomes is not relevant.

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	
5	Health and social care services contribute to reducing health inequalities.	
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	
7	People who use health and social care services are safe from harm.	
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	
9	Resources are used effectively and efficiently in the provision of health and social care services.	

Financial impacts

7.2. There are no additional costs attached to any of the recommendations contained in this report.

Equality, Human Rights and Fairer Scotland Duty

7.3. This is a routine good governance report for assurance purposes and, as a result, completion of an integrated impact assessment is not an applicable consideration.

Legislative considerations

7.4. The Scottish Borders Health and Social Care Integration Joint Board (IJB), established as a separate legal entity as required by the Public Bodies (Joint Working) (Scotland) Act 2014, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Scottish Borders partnership area, based on resources which have been delegated to it by the partners, Scottish Borders Council and NHS Borders.

7.5. The IJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The IJB Audit Committee fulfilling its terms of reference is one of the key components of good governance and is critical to the capacity of the IJB to function effectively.

Climate Change and Sustainability

7.6. IJB Audit Committee meetings and Development Sessions during 2022/23 have been held using a virtual platform MS Teams to minimise the need for business travel and reduce potential climate impact.

Risk and Mitigations

7.7. There is a risk that the IJB Audit Committee does not fully comply with best practice guidance thus limiting its effectiveness as a scrutiny body as a foundation for sound corporate governance. The completion of the annual self-assessment and identification and implementation of improvement actions as evidenced through this Annual Report will mitigate this risk.

8. CONSULTATION

Communities consulted

8.1. This is a routine good governance report for assurance purposes and, as a result, consultation with communities is not required.

8.2. The members of the IJB Audit Committee were engaged in the annual self-assessment process during the Development Session on 20 March 2023, facilitated by the IJB Chief Internal Auditor.

Integration Joint Board Officers consulted

8.3. The IJB Board Secretary, the IJB Chief Financial Officer and the IJB Chief Officer have been consulted on this report to ensure their awareness of its content.

Approved by:

Cllr Tom Weatherston, Chair of IJB Audit Committee

Author(s)

Jill Stacey, IJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)

Background Papers: CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition

Previous Minute Reference: IJB Audit Committee 19 December 2022; IJB 21 December 2022

For more information on this report, contact us at Internal Audit intaudit@scotborders.gov.uk

**SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD
AUDIT COMMITTEE
ANNUAL REPORT FROM THE CHAIR – 2022/23**

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 20 June, 31 August (extraordinary meeting), 28 November and 19 December 2022, and 20 March 2023 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 2021/22 in August 2022 and the audited Annual Accounts 2021/22 in November 2022, 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.

The role of the IJB Audit Committee also includes the monitoring of the delivery of the IJB's Strategic Commissioning Plan and progress against its Directions, which reflects the development of the IJB's refreshed Approach to Commissioning and formal Directions Policy. In accordance with the timelines in the IJB Directions Tracker, the IJB Audit Committee during its meetings on 20 June and 19 December 2022, and 20 March 2023 monitored and reviewed progress with the implementation of IJB Directions made to partners to assess service and financial performance, and achievement of objectives.

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 in November 2022 by the IJB of an Independent Member from the community, following an external recruitment and selection process.

The Committee membership during the year 2022/23 was Councillor T Weatherston (Chair), Councillor J Cox (to December 2022), Councillor N Richards (from February 2023), Mrs K Hamilton, Mrs L O’Leary, and Mr K Harrod (Independent Member) (from November 2022).

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

Member	20 June 2022	31 August 2022	28 November 2022	19 December 2022	20 March 2023
Cllr T Weatherston (Chair)	√	√	√	√	√
Cllr J Cox					
Cllr N Richards					√
Mrs K Hamilton	√	√	√	√	√
Mrs L O’Leary	√	√	√	√	√
Mr K Harrod (Independent Member)				√	√

The meetings of the IJB Audit Committee in 2022/23 were quorate (i.e. at least three Members present).

All other individuals who attended the meetings are recognised as being “in attendance” to support the Committee. The Chief Officer, Chief Financial Officer (from August 2022), the Chief Internal Auditor, external auditors, and the Secretary (provided by NHS Borders) attended all Committee meetings.

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.

The CIPFA ‘Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition’ includes the Audit Committee Members’ Knowledge and Skills Framework, which has been used by the IJB Audit Committee. Current members including the new external member have each completed a self-assessment during 2022 using this toolkit, which were used to inform the content of the Development Sessions as well as to provide other information to individuals to meet their needs.

Core Knowledge: Organisational Knowledge; Audit Committee role and functions; Governance; Internal Audit; Financial Management and Accounting; External Audit; Risk Management; Counter Fraud; Values of Good Governance.

Core Skills: Strategic Thinking and Understanding of Materiality; Questioning and Constructive Challenge; Focus on Improvement; Able to Balance Practicality against Theory; Clear Communication skills and Focus on the Needs of Users; Objectivity; Meeting Management Skills (for the Chair).

Self-Assessment of the Committee

Members of the IJB Audit Committee carried out the annual self-assessment on 20 March 2023 during a Development 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 with evidence of improvement during the year. The following further improvements have been identified:

- Arrange a meeting of Chairs of IJB, SBC and NHS Borders audit committees in 2023 as an opportunity to share practice and understand the governance arrangements and assurance frameworks of the Partners on which reliance is placed (for example, value for money arrangements, and counter fraud and corruption arrangements).
- Liaise with Officers to present reports on Records Management Plan actions to enable the Committee to fulfil this oversight function within its Terms of Reference.
- Liaise with Officers on the use of standard templates and prompt lists to provide structure to facilitate more effective scrutiny by the Audit Committee of the implementation of IJB Directions and the achievement of objectives set out in the Strategic Framework.

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, which outline the business conducted.
- The IJB Audit Committee has operated in accordance with its agreed Terms of Reference, and accordingly with the best practice audit committee principles within the CIPFA Position Statement from the CIPFA 'Audit Committees' Guidance.
- It did the above 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, and considered relevant national reports that give rise to introducing best practice arrangements or lessons learned.
- 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.
- During their annual self-assessment Members of the IJB Audit Committee have reflected on the Committee's performance during the year in respect of its functions and effectiveness, and have identified areas for further improvement.

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

None.

Cllr Tom Weatherston
Chair of IJB Audit Committee
19 May 2023

CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 20 March 2023

Audit committee purpose and governance	Yes/Partly /No	Comments
Does the integration authority have a dedicated audit committee?	<input type="checkbox"/> 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?	<input type="checkbox"/> 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	<input type="checkbox"/> Yes	IJB Chief Internal Auditor completed a review against CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 (deemed applicable to integration authorities’ audit committees). Amended Terms of Reference (TOR) approved by IJB 15 June 2022.
Is the role and purpose of the audit committee understood and accepted across the integration authority?	<input type="checkbox"/> Yes	IJB Audit Committee has been constituted with a Terms of Reference and had periodic virtual meetings during the year in line with the Audit Cycle which were 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?	<input type="checkbox"/> 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 17 September 2018). 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?	<input type="checkbox"/> Yes	The IJB Audit Committee reviewed its Terms of Reference as part of the 2022/23 self-assessment of performance against best practice checklists on 20 March 2023. An Annual Report is 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 effectively fulfil its remit.

CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 20 March 2023

Functions of the committee	Yes/Partly /No	Comments
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, including partnerships and collaboration arrangements	<input type="checkbox"/> Yes	Included in all aspects of functions. Reliance is placed on partners’ arrangements as part of their operational delivery of services commissioned by the IJB.
• internal audit	<input type="checkbox"/> Yes	Included in function no. 3
• external audit	<input type="checkbox"/> Yes	Included in function no. 5
• financial reporting	<input type="checkbox"/> Yes	Included in function no. 6
• 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. 8. Reliance is placed on partners’ arrangements as part of their operational delivery of services commissioned by the IJB.
• Counter-fraud or corruption	<input type="checkbox"/> Yes	Implicit in functions nos. 1 & 7. Reliance is placed on partners’ arrangements as part of their operational delivery of services commissioned by the IJB.
• Supporting the ethical framework	<input type="checkbox"/> Yes	Included in function no. 7

CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 20 March 2023

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?	Yes	The IJB Audit Committee reviewed how it has fulfilled its Terms of Reference during the 2022/23 self-assessment of performance against best practice checklists on 20 March 2023, and there is evidence of improvement during the year. 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 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	<p>IJB Chief Internal Auditor completed review against CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 (deemed relevant to integration authorities’ audit committees). In the context of health and social care integration, reliance is placed on partners’ audit committees fulfilling their functions.</p> <p>Terms of Reference (TOR) includes the following as wider remit:</p> <ul style="list-style-type: none"> • Oversee and review progress on Records Management Plan actions (<i>Improvement required: no reports were presented during the year 2022/23 to fulfil this function</i>). • Carry out the oversight and scrutiny of the implementation of the Strategic Commissioning Plan and the application of the Directions Policy (<i>Improvement required: use of standard templates and prompt lists would provide structure to facilitate more effective scrutiny</i>).
Where coverage of core areas has been found to be limited, are plans in place to address this?	Yes	Coverage of core areas is adequate.
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 2022/23 self-assessment has confirmed that the IJB Audit Committee adhered to its Terms of Reference during the year.

CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 20 March 2023

Membership and support	Yes/Partly /No	Comments
<p>Has an effective audit committee structure and composition of the committee been selected?</p> <p>This should include:</p> <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • consideration has been given to the inclusion of at least one independent member 	Yes	<p>1st bullet point – The scrutiny arrangements in place, which are based on legislative requirements, do not meet with generally accepted principles of good practice (refer below).</p> <p>2nd 3rd and 4th bullet points – The IJB appoints the Committee membership which consists of at least four voting members of the IJB, excluding professional advisors, and an independent member appointed from an external source.</p>
<p>Have independent members appointed to the committee been recruited in an open and transparent way and approved by the IJB?</p>	Yes	<p>An independent member of the IJB Audit Committee was appointed to 31 October 2025 by the IJB Board on 16 November 2022 following an external recruitment process.</p>
<p>Does the chair of the committee have appropriate knowledge and skills?</p>	Yes	<p>The Chair of the IJB Audit Committee is an experienced Councillor.</p>
<p>Are there arrangements in place to support the committee with briefings and training?</p>	Yes	<p>The Induction Programme includes: Outline of Corporate Governance; role of the IJB Audit Committee; role of Internal and External Audit; Assurance Framework; and Audit Cycle. Development Sessions were held before each IJB Audit Committee meeting for the purpose of briefing and training.</p>
<p>Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?</p>	Yes	<p>During 2022, each of the IJB Audit Committee Members carried out a self-assessment using the CIPFA Audit Committees’ Knowledge and Skills Framework. The output was used to inform the content of discussions held at the virtual Development Sessions.</p>
<p>Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?</p>	Yes	<p>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.</p>
<p>Is adequate secretariat and administrative support to the committee provided?</p>	Yes	<p>A Secretary is assigned to the IJB Audit Committee. The activity includes the distribution of Agenda papers and Minutes, and preparation of Notes for the Chair prior to each Committee meeting.</p>

CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition

Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 20 March 2023

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?	Yes	Informal feedback received IJB Chief Officer, Chief Finance Officer, Chief Internal Auditor and Secretary. External Auditor, Audit Scotland, provides commentary in the Annual Audit Report.
Are meetings effective with a good level of discussion and engagement from all members?	Yes	Recorded in Minutes. The IJB appointed two new Members during the year. There is an opportunity to engage and raise salient matters in virtual meetings.
Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	Yes	Members utilise opportunities to meet with or email, as required, the key people responsible for the IJB’s governance and improvement e.g. Chief Officer and the Chief Finance Officer.
Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	Yes	Recommendations are made to the IJB in accordance with the business considered by the Audit Committee. An Action Tracker is used to monitor their satisfactory implementation.
Has the committee evaluated whether and how it is adding value to the organisation?	Yes	During its 2022/23 self-assessment the toolkit ‘Evaluating the Effectiveness of the Audit Committee’ from the CIPFA ‘audit committees’ guidance (2018) was utilised to consider how it is adding value to the IJB.
Does the committee have an action plan to improve any areas of weakness?	Yes	The IJB Audit Committee identified areas where it could improve in respect of its scrutiny and challenge role to fulfil its remit during its 2022/23 self-assessment against best practice checklist.
Does the committee publish an annual report to account for its performance and explain its work?	Yes	An Annual Report is 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 effectively fulfil its remit.

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
1. Promoting the principles of good governance and their application to decision making	Supporting development of local code of governance. Providing robust review of the Annual Governance Statement (AGS) and the assurances underpinning it. Working with key members to improve their understanding of the AGS and their contribution to it. Supporting audits of governance arrangements. Participating in self-assessments of governance arrangements. Working with partner audit committees to review governance arrangements in partnerships.	Committee scrutinised Local Code of Corporate Governance and AGS. Opportunity for Members to engage with officers to clarify matters. Committee supports the role of audit in improving internal control and governance. Committee received presentations and reports from Management and Auditors. <i>Need to have a meeting of Chairs of IJB, SBC and NHS Borders audit committees in 2023.</i>	4 (4 2021/22)
2. Contributing to the development of an effective control environment.	Actively monitoring the implementation of recommendations from auditors. Encouraging ownership of the internal control framework by appropriate managers. Raising significant concerns over controls with appropriate senior managers.	Committee received periodic progress reports from Auditors e.g. follow-up activity. CO attended Committee meetings to discuss progress with improvement actions. National Reports shared with Committee to learn from others and understand context.	4 (4 2021/22)
3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking. Monitoring improvements. Holding risk owners to account for major/strategic risks.	Committee received Annual Reports from Auditors providing opinion on risk management arrangements. 6-monthly reviews of IJB Strategic Risk Register reported to full IJB Board as recommended by Committee.	4 (4 2021/22)
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	Specifying its assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.	Induction programme outlined Governance and Assurance Framework and Audit Cycle. Annual Strategies, Plans and Reports received from Auditors for assurance purposes. IA and RM assurance resources provided by SBC; Audit Scotland are appointed EA.	4 (4 2021/22)

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	<p>Reviewing the audit charter and functional reporting.</p> <p>Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements.</p> <p>Actively support Internal Audit improvements (QAIP).</p>	<p>Committee places reliance on SBC AC to approve Internal Audit Charter and confirm conformance with PSIAS (QAIP).</p> <p>IJB Internal Audit Annual Plans and Annual Assurance Reports are received for review.</p>	<p>4 (4 2021/22)</p>
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	<p>Reviewing how the governance arrangements support the achievement of sustainable outcomes.</p> <p>Reviewing major projects and programmes to ensure governance and assurance arrangements are in place.</p> <p>Reviewing the effectiveness of performance management arrangements.</p>	<p>Auditors provided assurance on governance arrangements to meet strategic objectives.</p> <p>In accordance with the Directions Tracker, Committee monitored and reviewed progress with the implementation of Directions made to partners to assess service and financial performance, and achievement of objectives).</p>	<p>4 (4 2021/22)</p>
7. Supporting the development of robust arrangements for ensuring value for money.	<p>Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee.</p> <p>Considering how performance in value for money is evaluated as part of the Annual Governance Statement.</p>	<p>Reliance is placed on the value for money arrangements within the partner organisations; scrutiny of Directions provides information on benchmarking and options (<i>templates and prompt lists would provide structure to facilitate more effective scrutiny</i>).</p> <p>AGS sets out the Governance Framework including arrangements for best value.</p>	<p>3 (3 2021/22)</p>
8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	<p>Reviewing arrangements against standards in CIPFA's <i>Managing the Risk of Fraud and Corruption</i> (2014).</p> <p>Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.</p> <p>Assessing the effectiveness of ethical governance arrangements for both staff and governance bodies.</p>	<p>Reliance is placed on the arrangements for countering fraud and corruption within operational arrangements of partners who deliver the services commissioned by the IJB.</p> <p><i>Arrange meeting of Chairs of IJB, SBC and NHS Borders Audit Committees to share practices and gain assurance on the partners' counter fraud and corruption arrangements.</i></p>	<p>4 (4 2021/22)</p>

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
9. Promoting effective public reporting to the authority’s stakeholders and local community and measures to improve transparency and accountability.	Improving how the authority discharges its public reporting responsibilities e.g. audience, plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encouraging transparency. Publishing a Committee annual report.	Committee scrutinised annual accounts and report prior to publication and audit – unaudited (EO meeting in August); audited along with Annual Audit Report (November due to delay in statutory audit process). Audit Committee annual report to IJB.	4 (4 2021/22)

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Key to Acronyms

IJB – Integration Joint Board (the strategic commissioning authority for health and social care services)

AGS – Annual Governance Statement (the statement reporting the outcome of the annual review of the effectiveness of the organisation’s system of internal control and governance arrangements against its Local Code of Corporate Governance, including any areas of improvement, presented within the statutory annual report and accounts)

CO – Chief Officer of the IJB

PSIAS – Public Sector Internal Audit Standards (quality management system for the Internal Audit providers)

QAIP – Quality Assurance and Improvement Plan (requirement of PSIAS)

SBC AC - Scottish Borders Council Audit Committee