

**CÙRAM IS SLÀINTE NAN EILEAN SIAR  
SHADOW INTEGRATION JOINT BOARD**

**IJB AUDIT COMMITTEE**

**PURPOSE OF REPORT**

1. To propose that the IJB establishes an audit committee.

**COMPETENCE**

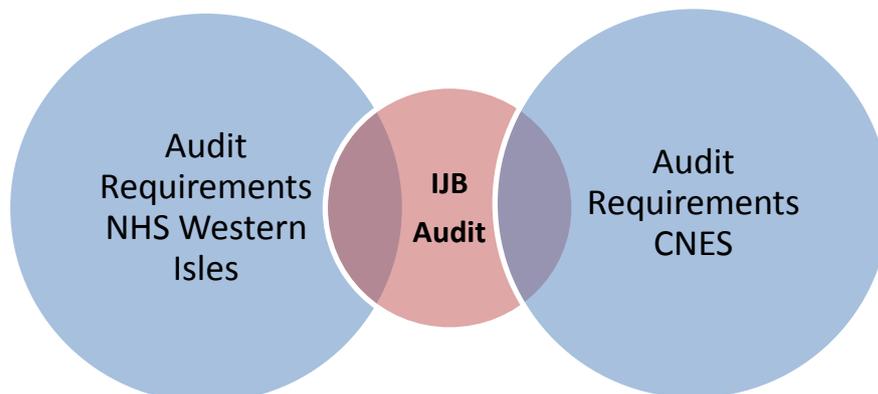
2. The report is solely concerned with the governance of the IJB.

**PROPOSED AUDIT COMMITTEE**

3. At the last meeting of the shadow Board, it was agreed in principle that the Comhairle's internal audit would provide the internal audit arrangements for the IJB. Further work has since been undertaken and we anticipate that the shadow Board will have an opportunity to formalise that arrangement at its meeting in March, along with a strategic audit plan.
4. In the meantime, consideration should be given to whether additional audit arrangements need to be put in place to ensure that the IJB is appropriately advised and set-up to deliver against its formal obligations.
5. The Scottish Government finance guidance for Integration Joint Boards. At section 2.6.1, the guidance advises:

*The Integration Joint Board should make appropriate and proportionate arrangements, for consideration of the audit provision and annual financial statements, which are compliant with regulations and good practice governance standards in the public sector. This should include any reports from internal audit, external audit and the annual accounts. For example this may be an audit committee which meets before the main Integration Joint Board meeting two or three times per year.*

6. In response to that guidance, and following the lead of other partnerships across Scotland, it is appropriate to consider an audit committee for the IJB. Importantly, an audit committee would not seek to duplicate the pre-existing audit activity of the parent bodies but rather focus on the IJB's statutory obligations and the elements of the integration agenda not currently picked up by the parent bodies:



7. It is envisaged that the audit requirements would be relatively light touch: we would seek to host two meetings a year, the first to set out and agree audit planning work and the second to consider audit reports.
8. The draft Terms of Reference are attached at Annex A for consideration.

### **RECOMMENDATIONS**

9. The IJB is invited to agree the Terms of Reference for the proposed audit committee.

## **Annex A: Integration Joint Board Audit Committee Terms of Reference**

### **1. INTRODUCTION**

1.1 The Integration Joint Board (IJB) is required to properly manage its financial and governance affairs. An Audit Committee of the IJB will assist in the delivery of those functions.

### **2. PURPOSE OF THE IJB AUDIT COMMITTEE**

2.1 The IJB Audit Committee will have a key role with regard to:

- Ensuring sound governance arrangements are in place for the IJB; and
- Ensuring the efficient and effective performance of Western Isles' Health and Social Care Partnership in order to deliver the outcomes set out in the Integration Scheme.

### **3. CONSTITUTION OF THE IJB AUDIT COMMITTEE**

#### Appointments

3.1 The IJB will make all appointments to the IJB Audit Committee including the appointment of the Chair and Vice-chair of the Committee.

#### Membership

3.2 The Committee will consist of four voting members of the IJB and two non-voting members, including:

- two elected members of the Council
- two non-executive members of the Health Board
- two non-voting members of the IJB

#### Chair and Vice-Chair

3.3 The Chair and Vice-Chair of the IJB Audit Committee will be voting members of the IJB and will be appointed from amongst those members appointed to the IJB Audit Committee; one will be an elected member of the Council and the other will be a non-executive member of the Health Board.

3.4 The role of Chair and Vice-Chair will rotate every 2 years with the first rotation taking place at the same time as the change to the chairmanship of the IJB. The Chair of the Audit Committee should be from the organisation not chairing the IJB.

#### Quorum

3.5 Two members of the Committee will constitute a quorum, including one elected member of the Council and one non-executive member of the Health Board.

#### Frequency of Meetings

3.6 The Committee will meet twice a year. Additional meetings may be arranged as required.

#### In Attendance

3.7 The Chief Officer, Chief Finance Officer and Chief Internal Auditor and other professional advisers or their nominated representatives will normally attend meetings.

3.8 The external auditor will be invited to attend meetings of the IJB Audit Committee.

#### Sub-groups

3.9 The Committee may at its discretion set up working groups for specific tasks.

Membership of working groups will be open to anyone whom the IJB Audit Committee considers will be able to assist in the task assigned. The working groups will report their findings and any recommendations to the IJB Audit Committee.

### **4. POLICY AND DELEGATED AUTHORITY**

4.1 The IJB Audit Committee is authorised to request reports and to make recommendations to the IJB on any matter which falls within its Terms of Reference.

### **5. REMIT**

5.1 The IJB Audit Committee will review the overall internal control arrangements of the IJB and make recommendations to the IJB regarding any matters within its Terms of Reference.

5.2 Specific areas of responsibility include:

#### Performance Monitoring and Best Value

1. To ensure that the Chief Officer establishes and implements satisfactory arrangements for reviewing and appraising service performance against agreed objectives, levels and standards of service.
2. To consider reports on performance and to review progress against the national outcomes and the outcomes in the Strategic Plan.
3. To review Best Value and performance initiatives.
4. To review its own effectiveness in supporting the IJB's finance and governance responsibilities.

#### Audit

1. To review and recommend the annual Internal Audit Plan to the IJB.
2. To oversee and review progress on actions taken on audit recommendations and report to the IJB on these as appropriate.
3. To consider monitoring reports on the activity of Internal Audit.
4. To consider External Audit Plans and reports as appropriate; any matters arising from these and management actions identified in response.
5. To review risk management and insurance arrangements and receive regular risk management updates and reports.
6. To ensure compliance with IJB governance arrangements and strategies e.g. Risk Management Strategy, Participation and Engagement Strategy.
7. To be responsible for setting its own work programme including reviews in order to properly advise the IJB on matters covered by the IJB Audit Committee.