

Title/Subject: **Audit Committee Terms of Reference**

Meeting: **Audit Committee**

Date: **22 September 2016**

Submitted By: **Chief Governance Officer**

Action: **For Noting**

1. INTRODUCTION

- 1.1 The purpose of this report is to set out the terms of reference of the audit committee.

2. RECOMMENDATION

The Audit Committee is asked to:-

1. note the membership and that Mr King is chairperson of the committee;
2. determine which officers it requires to attend on a regular and/or ad hoc basis, and
3. determine the frequency of meetings.

3. BACKGROUND

- 3.1 The Integration Joint Board (IJB) considered a report at its June meeting setting out proposals for establishment of an audit committee. The Board:-

- (1) agreed the remit for the audit committee as appended to the report;
- (2) agreed that the Vice Chairperson would discuss the composition of the committee with the Chief Finance Officer and the Chief Governance Officer outwith the meeting and that detailed proposals would be made to the next meeting of the board;
- (3) noted the internal audit planning work as detailed in section 4 of the report, and
- (4) delegated authority to the audit committee to consider and approve the 2015/16 accounts to allow approval by 30 September 2016.

4. TERMS OF REFERENCE

- 4.1 The IJB agreed terms of reference as appended to the report to the Board on 3 June 2016 and these are appended to this report for information.
- 4.2 The constitution sets out that the committee should agree the professional advisors it requires on a regular and ad hoc basis. On a regular basis it is suggested that the Chief Finance Officer, the lead Internal Audit advisor and the Board's Governance advisor attend each of the committee's meetings. The committee can determine which officers it wishes to attend on a regular or ad hoc basis.
- 4.3 The constitution also sets out that the committee will meet at least twice per annum (1 April to 31 March). Therefore there requires to be at least one more meeting of the committee prior to 1 April 2017. The committee may determine to have meetings more frequently than twice a year and it should be noted that it is available to the committee to call a special meeting at any stage if required.
- 4.4 The Chairperson of the committee will be a voting member nominated by the IJB. The Board noted that Mr King would be the chairperson of the committee for the period until the Chairperson of the IJB rotates to a Health Board member.
- 4.5 In line with the decision of the Board on 3 June 2016 the Chairperson liaised with the Chief Finance Officer and Chief Governance Officer in relation to the composition of the committee. The membership of the committee is:-
- James King (voting member);
 - Councillor Linda Gow (voting member);
 - Tom Hart (non-voting member), and
 - Karen Herbert (non-voting member).

5. CONCLUSIONS

- 5.1 The committee has been established by the IJB and will operate in line with the terms of reference summarised above and appended to this report.

Resource Implications

There are no resource implications arising from this report.

Impact on IJB Outcomes and Priorities

This report has been prepared in line with the IJB outcomes and priorities.

Legal and Risk Implications

The committee will be in a position to carry out sufficient audit activities as a result of the proposals in this report.

Consultation

There has been no consultation carried out on the proposals in this report.

Equalities Assessment

There are no equalities implications arising from the proposals in this report.

Approved for submission by: Colin Moodie, Depute Chief Governance Officer

Author: Jack Frawley, Committee Services Officer

Date: 9 September 2016

List of Background Papers: None.

FALKIRK HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE DRAFT TERMS OF REFERENCE

Constitution

The IJB shall appoint the Committee. The Committee should agree the professional advisors it requires on a regular and adhoc basis. The Committee is required to review its terms of reference on an annual basis.

The Committee will meet at least twice per annum. The Committee will be supported and serviced by the Chief Finance Officer. The Audit Committee should report to the IJB.

Chairperson

The Chairperson of the Committee will be a voting member nominated by the IJB, noting that the Chairperson of the IJB would not normally be a member of the Audit Committee

Quorum

Half of the voting members will constitute a quorum.

Functions Referred

The following functions of the IJB shall stand referred to the Audit Committee –

1. Assess the adequacy and effectiveness of the IJB's internal controls and corporate governance arrangements and consider the annual governance reports and assurances to ensure that the highest standards of probity and public accountability are demonstrated;
2. Ensure existence of and compliance with an appropriate Risk Management Strategy. Review risk management arrangements and receive regular risk management updates and reports;
3. Review and approve the Internal Audit Annual Plan on behalf of the IJB, receive reports and oversee and review progress on actions taken on audit recommendations and report to the IJB on these as appropriate;
4. Consider the External Audit Annual Plan on behalf of the IJB, receive reports and consider matters arising from these and management actions identified in response before submission to the IJB; The Audit Committee may also consider relevant national audit reports particularly those relating to Health and Social Care Integration from Audit Scotland.
5. Consider annual financial accounts and related matters before submission to and approval by the IJB; and
6. The committee is responsible for ensuring best value for those delegated functions.
7. The Committee is authorised by the IJB to investigate any activity within its terms of reference, and in so doing, may seek any information it requires.