

AGENDA ITEM

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Agenda Item 4

Title/Subject:	Audit Committee Terms of Reference
Meeting:	Audit Committee
Date:	25 September 2018
Submitted By:	Chief Officer
Action:	For Decision

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

- 2.1. agree to invite expression of interest to fill the vacant position on the Audit Committee
- 2.2. agree the revised terms of reference and agree that these will be presented to the IJB for final approval

3. BACKGROUND

- 3.1. The terms of reference for the Audit Committee was agreed by the IJB in June 2016. The terms of reference should be reviewed on an annual basis to ensure they are appropriate and help to facilitate the work of the Committee.

4. AUDIT COMMITTEE MEMBERSHIP

- 4.1. Karen Herbert retired during 2018 and subsequently there is a vacancy on the Audit Committee. It is proposed that a request is issued to IJB members to invite expressions of interest for the Audit Committee position.

5. TERMS OF REFERENCE

- 5.1. The IJB agreed terms of reference as appended to the report to the Board on 3 June 2016. It is good practice to review the terms of reference on an annual basis. This review has now been added to the workplan for 2019.
- 5.2. A set of revised terms of reference have been attached as Appendix 1 to this report. The terms of reference have tracked changes to help the committee

- identify the changes proposed.
- 5.3. There are no significant changes proposed to the terms of reference. The main change is to recognise the role of the Audit Committee in approving the annual accounts, prior to onward submission to the IJB. This is in line with the practice adopted in previous years.

6. CONCLUSIONS

- 6.1. The terms of reference of the Audit Committee should be reviewed on an annual basis. A review has been undertaken during 2018 and no significant changes proposed.

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: Patricia Cassidy, Chief Officer

Author: Amanda Templeman, Chief Finance Officer

Date: 12 September 2018

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. Approve the annual financial accounts before submission to and approval by the IJB.
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.