

# **Agenda Item 9**

## **Terms of Reference**



## **Falkirk Integration Joint Board – Audit Committee**

**Date: 6 March 2020**

**Title: Terms of Reference**

**Action: For Decision**

### **Executive Summary**

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1. This report presents an updated Terms of Reference for the Audit Committee for consideration before submission to the IJB for approval.
2. The Terms of Reference include two main updates, both driven by previous Internal Audit reviews. The first is to formally note that the minutes of the Audit Committee will be submitted to the IJB. The second is that the Audit Committee will report annually to the IJB.
3. The report also highlights that in light of Alex Linkston, Chair of the NHS Forth Valley Board retiring, a vacancy for a Chair of the Falkirk IJB Audit Committee will need to be filled. This appointment will be confirmed by the IJB.

### **Recommendations**

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The IJB Audit Committee is asked to:

4. Agree the Terms of Reference included at Appendix 1 and agree to submit these to the IJB for approval.
5. Note that a new Chair will have to be appointed to the Audit Committee.
6. Note that the December 2020 date for the Audit Committee will have to be amended.

### **Background**

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7. The terms of reference for the Audit Committee were last considered by the Committee in September 2018. 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.

### **Terms of Reference**

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8. 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.

9. There are no significant changes proposed to the terms of reference. Two key changes have come from Internal Audit reports and these simply formalise the presentation of the Audit Committee minutes to the IJB and the requirement for the Committee to submit an annual report to the IJB outlining the work of the Committee and providing assurance.
10. An additional change is in the wording relating to approval of the IJB annual accounts. The revised working recognises 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.

## **Audit Committee Membership**

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11. Alex Linkston, Chair of NHS Forth Valley retired on 29 February 2020. Mr Linkston was the Chair of the Falkirk IJB Audit Committee. It is anticipated that the Health Board will nominate a new Chair of the IJB Audit Committee to be agreed by the IJB.

## **Meeting Schedule**

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12. In December 2019 a set of meeting dates was agreed by the Audit Committee. Subsequently the June 2020 date has had to be amended. A revised date of 18 June 2020 has been agreed. We have now been informed that the December 2020 date is not suitable for all parties. A new date will have to be agreed. This will be undertaken once the Chair of the IJB Audit Committee is appointed.

## **Conclusions**

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13. The terms of reference of the Audit Committee should be reviewed on an annual basis. A review has been undertaken during 2020 and no significant changes proposed.
14. A new Chair of the IJB Audit Committee will be proposed by NHS Forth Valley for approval by the IJB.

### **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 & 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

The Internal Audit Manager and Chief Governance Officer have been consulted on this report.

### Equalities Assessment

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

## Report Author

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Approved for submission by: Patricia Cassidy, Chief Officer

**Author of report – Amanda Templeman, Chief Finance Officer**

## List of Background Papers

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The papers that may be referred to within the report or previous papers on the same or related subjects

## Appendices

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| <b>Appendix 1:</b> | Falkirk Health and Social Care Integration Joint Board (IJB) Audit Committee Draft Terms of Reference |
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| <b>Appendix 2:</b> |  |
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## **Falkirk Health and Social Care Integration Joint Board (IJB) Audit Committee Draft Terms of Reference**

### **Constitution**

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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 minutes of the Audit Committee will be submitted to the IJB. The Audit Committee should report to the IJB formally on an annual basis.

### **Chairperson**

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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**

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Half of the voting members will constitute a quorum.

### **Functions Referred**

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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. An Internal Audit Annual Assurance Report will be provided to the Committee providing an overall opinion on the IJB's arrangements for risk management, governance and control.
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.
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.