

## **Agenda Item 5**

# **Annual Assurance Statement**



## Falkirk IJB Audit Committee

25 September 2020

Annual Assurance Statement

For Decision

### 1. Executive Summary

- 1.1 The report presents the draft Audit Committee Annual Assurance Statement for approval. This is the first Annual Assurance Statement prepared by the Committee. This is in response to the recommendations contained in the Internal Audit report entitled “IJB’s Assurance Framework – Governance Mapping, Report No. FK05/19”.
- 1.2 Subject to the Committee’s approval, the Annual Assurance Statement will be presented to the next IJB meeting for consideration.

### 2. Recommendations

The Audit Committee is asked to:

- 2.1 approve the 2019/20 Audit Committee Annual Assurance Statement.
- 2.2 agree that this is presented to the next IJB meeting for consideration.

### 3. Background

- 3.1 During 2019-20, Internal Audit completed a Governance Mapping exercise to assess the extent to which the IJB’s committee structure supports the delivery of strategic objectives.
- 3.2 The scope of the review was to:
  - identify and map Falkirk HSCP’s key committees and working groups
  - review the appropriateness of Terms of Reference (ToR) and interdependencies
  - assess working arrangements for key committees and working groups
  - determine whether the structure of these committees and groups best supports delivery of Falkirk HSCP’s strategic objectives.
- 3.3 This review provides assurance in relation to Strategic Risk 2 – *There is a*

*risk that the IJB fails to deliver its strategic objectives due to lack of clarity and/or agreement in respect of governance arrangements, for example:*

- a lack of clarity around the separate roles of the IJB, HSCP, Council, NHS Board and other partners, including Clackmannanshire and Stirling IJB
- an inability to influence decision making and/or a lack of agreement around where decisions should be made/decisions been taken out with appropriate governance process.

3.4 The Internal Audit report noted:

*In our opinion, overall the committees and groups tested reviewed were discharging their ToR in an efficient and effective manner. However, some committees and working groups had not been in place for the full year, work plans had not yet been established and no annual assurance reports were provided to the IJB. Therefore, based on the information available, our work could not conclude on whether sufficient work had been carried out in year to provide the IJB with adequate assurance over management of risks or progress towards strategic objectives.*

*The IJB should ensure that it receives adequate and appropriate assurance from partner bodies, standing committees and key working groups regarding how operational and strategic risks are being managed. Assurance should include how each partner has ensured the safe, efficient delivery of health and care services throughout the year, and how services have been delivered in line with the strategic objectives of the IJB. As a minimum, the IJB should receive annual assurance reports from the appropriate committees / groups in its governance structure.*

3.5 The Internal Audit report makes four recommendations and an action plan has been agreed with the Chief Officer. One of these recommendations was that Annual Assurance Statements are provided, effective from June 2020.

3.6 The Audit Committee would normally have received this report and considered the action plan, with this being monitored and implemented as required. However the cancellation of meetings in response to the Covid-19 pandemic has impacted on the timescales and process.

## **4. Audit Committee Annual Assurance Statement**

4.1 A draft Annual Assurance Statement has been prepared and is attached for approval at Appendix 1.

4.2 This sets out the attendance, meeting dates and business of the Audit Committee during financial year April 2019 to March 2020. Further work to refine and develop the annual assurance statement will be undertaken during 2020/21.

## **5. Conclusions**

- 5.1 Through the Audit Committee meetings, reports and action plans presented and agreed, output from internal and external audit, together with assurance provided from respective Partners, the Annual Assurance Statement concludes that the Audit Committee has effectively discharged its duties during 2019/20.

### **Resource Implications**

There are no resource implications arising from this report.

### **Impact on IJB Outcomes and Priorities**

Ensuring sound clinical and care governance arrangements are in place for all services is in line with the Strategic Plan.

### **Legal & Risk Implications**

The preparation of the Annual Assurance Statement will meet the requirements of the Strategic Risk Register and the Internal Audit report and ensure the IJB meets its statutory responsibilities.

### **Consultation**

This report has involved consultation with key officers in the Council and NHS Forth Valley.

### **Equalities Assessment**

This is not required for the report.

## **6. Report Author**

Jillian Thomson, Chief Finance Officer

## **7. List of Background Papers**

N/a

## **8. Appendices**

**Appendix 1:** Audit Committee Annual Assurance Statement 19/20

## **Annual Report of Falkirk Integration Joint Board Audit Committee 2019-2020**

### **1. PURPOSE**

- 1.1. This report provides annual overview of the work of the Falkirk Integration Joint Board (IJB) Audit Committee. This is in addition to the IJB receiving minutes of all Audit Committee meetings and ensures effective scrutiny of the Committee.

### **2. BACKGROUND**

- 2.1. The Audit Committee is a key element of the governance structure and operates under the delegated authority of the IJB.
- 2.2. The Audit Committee's remit extends beyond traditional financial stewardship and oversight of the audit process and incorporates all aspects of the IJB's system of internal control and overall governance framework.
- 2.3. The specific functions delegated to the Audit Committee by the IJB are outlined below:
- To assess the adequacy and effectiveness of the IJB's internal controls and corporate governance arrangements and consider annual governance reports and assurances to ensure that the highest standards of probity and public accountability are demonstrated.
  - Ensure existence of and compliance with an appropriate Risk Management Strategy. Review risk management arrangements and receive regular risk management updates and reports.
  - 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.
  - 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.
  - Approve the annual financial accounts.

- The Committee is responsible for ensuring best value for those delegated functions.
  - 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.
- 2.4. The Committee formally provides a copy of its minutes to the IJB a part of its assurance processes and these are publicly available.

### **3. IJB AUDIT COMMITTEE**

#### **3.1. Composition**

During the financial year ending 31 March 2020, membership of Audit Committee comprised:

<b><u>Voting Members:</u></b>	<b>Mr Alex Linkston Cllr Allyson Black</b>	<b>Chair (until Feb 2020) Vice Chair</b>
<b><u>Non-voting Members:</u></b>	<b>Robert Clark Jennifer Kerr</b>	<b>NHS Forth Valley Third Sector Interface</b>

- 3.2. The attendance record for the Audit Committee meetings is attached at Appendix1.

#### **3.3. Meetings**

The Committee has met on 4 occasions during the period from 1 April 2019 to 31 March 2020

- 27 June 2019
- 23 September 2019
- 16 December 2019
- 6 March 2020

#### **3.4. Business**

The schedule of business is set out in Appendix 2.

### **4. CONCLUSION**

- 4.1. The work of the Audit Committee provides assurance to the IJB in relation to a wide range of governance issues, including risk management and potential internal control weaknesses. This is supported by a risk based internal audit annual work plan, targeted to the highest risk areas to ensure that audit activity is focussed on key areas and is sufficient in order to provide an appropriate level of assurance.

- 4.2. In addition, an audit sharing protocol is in place to ensure that any relevant issues arising in either partner organisation which may impact on the IJB is passed to the Audit Committee for consideration and action as appropriate.
- 4.3. Through the Audit Committee meetings, reports and action plans presented and agreed, output from internal and external audit, together with assurance provided from respective Partners, the Audit Committee has effectively discharged its duties during 2019/20.

Voting Members		27-Jun-19	23-Sep-19	16-Dec-19	06-Mar-20
Alex Linkston	Chair (retired February 2020)	P	P	P	x
Allyson Black	Vice Chair	P	P	P	P

Non-Voting Members					
Jen Kerr	Third Sector Interface Representative	P	A	P	P
Robert Clark	NHS Staff Representative	P	P	P	P

Professional Advisors					
Amanda Templeton	Chief Finance Officer	P	P	P	P
Brian Pirie	Democratic Services Manager	x	x	P	x
Colin Moodie	Chief Governance Officer, Falkirk Council	P	P	x	x
Gordon O'Connor	Internal Audit Manager, Falkirk Council	P	P	P	P
Grace Scanlin	Ernst & Young, External Audit	P	P	x	P
Jack Frawley	Committee Services Officer, Falkirk Council	P	x	x	P
Karen Chambers	Committee Services Officer, Falkirk Council	x	P	P	x
Lesley James	Depute Chief Internal Auditor	P	x	x	x
Patricia Cassidy	Chief Officer	x	P	P	P
Sara Lacey	Chief Social Work Officer	x	P	P	P
Scott Urquhart	Director of Finance, NHS Forth Valley	x	P	x	x
Steven Reid	Ernst & Young, External Audit	x	P	x	x
Tony Gaskin	Chief Internal Auditor	P	x	x	x

**Key:** P Present  
A Absent



## Schedule of Business Considered April 2019 – March 2020

## Appendix 2

Date	Title of Business Discussed	Noting / Decision
27 June 2019	Minute of previous meeting 29 March 2019	Decision
	Internal Audit Annual Report	Noting
	Falkirk IJB 2018/19 Unaudited Annual Report and Accounts	Noting
	Internal Audit Plan 2019/20	Decision
	Strategic Risk Register	Noting
	Governance Action Plan	Decision
	National Audit and Inspection Report Overview	Noting
	Social Work in Scotland Impact Report	Decision
	How Councils Work – Safeguarding Money	Noting
23 September 2019	Minute of previous meeting 27 June 2019	Decision
	Falkirk IJB 2018/19 Audited Annual Accounts	Decision
	2018/29 Annual Audit Report to the IJB and the Controller of Audit	Noting
	Risk Management Arrangements	Decision
	IJB Audit Committee Programme of Meetings and Workplan 2020	Decision
	National Audit and Inspection Overview	Noting
16 December 2019	Minute of previous meeting 23 September 2019	Decision
	National Audit Report and Inspection Report Overview	Noting
	Internal Audit Progress Report	Noting
	Strategic Risk Register	Decision
	Governance Monitoring and Tracking Arrangements	Decision
6 March 2020	Minute of previous meeting 16 December 2019	Decision
	Strategic Risk Register Update	Noting
	Internal Audit Plan 2020/21	Approval
	Internal Audit Progress Report	Noting
	External Audit Plan	Noting
	National Audit and Inspection Report Overview	Noting
	Terms of Reference	Decision
	Following the Public Pound	Decision