
To: Renfrewshire Health and Social Care Integration Joint Board Audit, Risk and Scrutiny Committee

On: 17 November 2023

Report by: Chief Internal Auditor

Heading: CIPFA Audit Committee Guidance – Self Assessment and Action Plan

1. Summary

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) published guidance in late 2022 for local authority Audit Committees. The purpose of the guidance is to support Audit Committee members in fulfilling their role on the Audit Committee.
 - 1.2 The guidance promotes that a regular self-assessment against the key principles should be undertaken, to support the planning of the audit committee work programme and training plans and also inform the annual report.
 - 1.3 In line with the guidance and the External Auditor's recommendations, a self-assessment against the CIPFA good practice guidance for the Where an audit committee has a high degree of performance against the good practice for local government audit committees.
 - 1.4 At the Audit, Risk and Scrutiny Committee (ARSC) meeting on 18 September the Committee agreed to a development session for members of the ARSC, to review the self-assessment and develop an action plan for approval by the IJB.
 - 1.5 It is proposed that the Terms of Reference of Renfrewshire Integration Joint Board Audit, Risk and Scrutiny Committee be reviewed.
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2. Recommendations

It is recommended that the Audit, Risk and Scrutiny Committee:

- 2.1 Consider and note the outcome of the self-assessment set out in Appendix 1 and 2.
 - 2.2 Consider the proposed Action Plan set out in Appendix 3 and approve for submission to a future meeting of the IJB.
 - 2.3 Consider the proposed revised Terms of Reference set out in Appendix 4 and approve for submission to a future meeting of the IJB.
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3. Background

Effective Audit Committees

- 3.1 The CIPFA guidance provides a framework for assessing the effectiveness of the Audit Committee, this framework comprises distinct but inter-dependent areas that should be assessed.
- **Self-assessment of good practice (Appendix 1)**
This question set provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and the Audit Committee Guidance.
 - **Self-assessment of the impact and effectiveness of the audit committee (Appendix 2)**
This question set has been developed to encourage reflection on the impact, influence and effectiveness of the committee.
- 3.2 The assessments were discussed by members of the Audit, Risk and Scrutiny Committee at the member development session on 27 October 2023 and an action plan to address the small number of improvement actions identified was developed and agreed. The proposed Action Plan is detailed at **Appendix 3.** to this report. Members of the Committee are asked to consider the Terms of Reference with a view to recommending to a future meeting of the IJB that the proposed changes are implemented.
- 3.3 The Terms of Reference of Renfrewshire Integration Joint Board Audit, Risk and Scrutiny Committee were last reviewed in January 2020. A copy of the Terms of Reference with proposed revisions is attached as **Appendix 4** to this report. Members of the Committee are asked to consider the Terms of Reference with a view to recommending to a future meeting of the IJB that the proposed changes are implemented.

Implications of the Report

1. **Financial** - none.
2. **HR & Organisational Development** - none.
3. **Community Planning** - none.
4. **Legal** - none.
5. **Property/Assets** - none.
6. **Information Technology** - none.
7. **Equality & Human Rights** – none
8. **Health & Safety** - none.

9. Procurement - none.

10. Risk - The report addresses the risk of non-compliance against the revised CIPFA guidance for an effective Audit Committee.

11. Privacy Impact - none.

List of Background Papers – CIPFA Audit Committee Guidance – Self Assessment Arrangements, 18 September 2023

Author: Andrea McMahon, Chief Internal Auditor

Good practice questions		Does not comply	Partially complies and extent of improvement needed			Fully complies	Comments	Improvement Actions
		Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement		
Audit committee purpose and governance								
1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?					X	The ARCS has no remit to oversee member conduct or review complaints. The Audit Committee Terms of Reference were last reviewed in 2020.	
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?					X	Currently this is done verbally (see below).	
3	Has the committee maintained its advisory role by not taking on any decision-making powers?					X	The Audit, Risk and Scrutiny Committee is not a decision-making committee.	
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?					X		

5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?					X		
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?				X		<p>The ARSC ToR does provide that "The Committee shall provide updates to the IJB summarising areas of business that have been discussed and considered during their meetings. Minutes of the Committee meetings will be provided to the IJB."</p> <p>In the last year there has been 2 verbal updates provided to the IJB by the Chair of the ARSC. One in Nov 22 and one in Sept 22.</p>	Consider preparing a brief update report for each IJB meeting.
7	Does the governing body hold the audit committee to				X		The ARSC ToR does provide that	Formally review the

	account for its performance at least annually?						<p>“The Committee shall also periodically review its own effectiveness and report the results to the IJB.”</p> <p>In the last year there is no evidence of this review or report to the IJB.</p>	ARSC terms of reference, following the self-assessment.
Functions of the committee								
8	Does the committee publish an annual report in accordance with the 2022 guidance, including:							
	<ul style="list-style-type: none"> compliance with the CIPFA Position Statement 2022 	X					An annual report has not been provided to the IJB in the last year.	An annual report including the required elements should be provided to the IJB
	<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 	X					As above	As above
	<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in 	X					As above	As above

	the year?							
Functions of the committee								
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?							
	Governance arrangements					X		
	Risk management arrangements					X		
	Internal control arrangements, including: <ul style="list-style-type: none"> • financial management • value for money • ethics and standards • counter fraud and corruption 					X	The ARSC does not have a remit for ethics and standards, but Q1 also suggests this should be separate from the Audit Committee.	
	Annual governance statement					X		
	Financial reporting					X		
	Assurance framework					X		
	Internal audit					X		
	External audit					X		
10	Over the last year, has adequate consideration been given to all core areas?					X		
11	Over the last year, has the committee only considered agenda items that align with its core functions or				X		The ARSC has considered reports on Health & Safety and	Formally review the ARSC terms of reference,

	selected wider functions, as set out in the 2022 guidance?						Public Interactions which are not within its current ToR.	following this self-assessment.
12	Has the committee met privately with the external auditors and head of internal audit in the last year?					X	Meeting with External Audit took place in September. The scheduled meeting with CIA in June was suspended due to technical difficulties, and has been rescheduled for November 2023	
Membership and support								
13	Has the committee been established in accordance with the 2022 guidance as follows?							
	• Separation from executive					X		
	• A size that is not unwieldy and avoids use of substitutes					X		
	• Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation					X		
14	Have all committee members been appointed or selected to ensure a					X	Membership must comprise an equal number of voting	

	committee membership that is knowledgeable and skilled?						members from both the Health Board and the Council. The Renfrewshire IJB Audit Committee shall comprise 2 voting members from the Health Board, 2 from the Council and 2 from the non-voting membership. The Chair can invite other professional advisors and senior officers as required. Given the current 6 members of the Audit committee, there is clear assurance on the knowledge and skill set of the Membership.	
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members			X			There has been no formal training needs assessments undertaken.	Undertake a formal training needs analysis to inform the

	been carried out within the last two years?						Although there has been training in the past, there has been no specific training in the last 2 year.	audit committee training programme.
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?			X			As above	As above
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?					X	As set out in 14 above, given the current 6 members of the Audit committee, there is clear assurance on the knowledge and skill set of the Membership.	
18	Is adequate secretariat and administrative support provided to the committee?					X		
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?					X		
Effectiveness of the committee								
20	Has the committee obtained positive feedback					X	IJB chairs have always noted their	

	on its performance from those interacting with the committee or relying on its work?						<p>thanks to the ARSC for their role throughout the year.</p> <p>The IJB has always welcomed the input and work from the Audit Committee. Senior officers in the HSCP are similarly supportive. The committee also meet with the External and Internal Auditor's in private.</p>	
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					X		
22	Are meetings effective with a good level of discussion and engagement from all the members?					X		
23	Has the committee maintained a non-political approach to discussions throughout?					X		
24	Does the committee engage with a wide range of leaders and managers, including					X	CO, CFO, CIA attend all meetings, other	

	discussion of audit findings, risks and action plans with the responsible officers?						senior officers attend as required. Where Internal Audit submits a Limited or No Assurance report, relevant officers would be asked to attend the ARSC, this has never been necessary.	
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?					X	<p>A great deal of work has been done to improve the risk and control arrangements.</p> <p>There is a significant degree of scrutiny and challenge exercised by the Audit Committee in these areas. This has included recommendations for improvement, and on how matters are reported to the</p>	

							Committee and IJB itself.	
26	Do audit committee recommendations have traction with those in leadership roles?					X	Yes. The ARSC is an integral part of the governance process and makes recommendations where necessary. Any action plans arising are also monitored.	
27	Has the committee evaluated whether and how it is adding value to the organisation?					X	This assessment is currently being undertaken.	
28	Does the committee have an action plan to improve any areas of weakness?					X	As Above	The action plan will be developed and reported to the IJB, in line with the approved report on self-assessment arrangements at the September ARSC.
29	Has this assessment been undertaken collaboratively with the audit committee members?					X	In line with the agreed arrangements, this checklist has been	

							completed collaboratively with the CIA, Clerk and Chair of the ARSC. The checklist on the impact and effectiveness of the Audit Committee will be undertaken collaboratively with all members of the ARSC at the development session in November.	
Total score		0	0	6	6	160		172
Maximum possible score		200						

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses	Proposed Actions
Promoting the principles of good governance and their application to decision making.	<ul style="list-style-type: none"> Supporting the development of a local code of governance. Providing a robust review of the AGS and the assurances underpinning it. Supporting reviews/audits of governance arrangements. Participating in self-assessments of governance arrangements. Working with partner audit committees to review governance arrangements in partnerships. 	<ul style="list-style-type: none"> Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements. Local arrangements for governance have been clearly set out in an up-to-date local code. The authority's scrutiny arrangements are forward looking and constructive. Appropriate governance arrangements established for all collaborations and arm's-length arrangements. The head of internal audit's annual opinion on governance is satisfactory (or similar wording). 	<p>There are clear terms of reference for the ARSC.</p> <p>The Local Code of Corporate Governance is reviewed, updated and scrutinised by members of the ARSC on an annual basis.</p> <p>The ARSG review and approve the Annual Governance Statement. The external auditors for 2022/23 concluded "Overall, we were satisfied that the Annual Governance Statement, reflects the requirements of CIPFA's updated Delivering Good Governance Framework."</p> <p>The Integration Scheme sets out the arrangements for collaboration between the partners.</p> <p>The CIA's annual audit opinion sets out the assurances being provided. The overall opinion is usually</p>	No further action

			<p>reasonable, the opinion covers governance, internal control and risk management. The audit universe covers governance.</p> <p>External Audit concluded that “Governance arrangements are well established and functioned properly throughout 2022/23.”</p>	
Contributing to the development of an effective control environment.	<ul style="list-style-type: none"> Encouraging ownership of the internal control framework by appropriate managers. Actively monitoring the implementation of recommendations from auditors. Raising significant concerns over controls with appropriate senior managers. 	<ul style="list-style-type: none"> The head of internal audit’s annual opinion over internal control is that arrangements are satisfactory. Assessments against control frameworks such as CIPFA’s FM Code have been completed and a high level of compliance identified. Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement. 	<p>The CIA’s annual audit opinion sets out the assurances being provided. The overall opinion is usually reasonable, the opinion covers governance, internal control and risk management. The audit universe covers the core areas for the IJB, governance, strategic planning, performance management, financial management, risk management, information governance and Integration of Services / Directions; on a risk basis with a requirement to cover each withing a 5 year period.</p>	No further action

			<p>An assessment of the FM Code was undertaken and reported to the ARSC in June 2023, areas for development were noted in the report.</p> <p>Appropriate control frameworks are in place for the areas under the influence of the IJB directly. Some aspects are delivered through partner organisations. Where appropriate the control frameworks are noted in the Local Code which is reviewed annually by members.</p> <p>Senior managers regularly attend the IJB and present regular reports on financial governance, risk management etc.</p> <p>There are arrangements in place for escalating any delay in the implementation of audit recommendations.</p>	
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<ul style="list-style-type: none"> Reviewing risk management arrangements and their effectiveness, e.g., risk management maturity or 	<ul style="list-style-type: none"> A robust process for managing risk is evidenced by independent assurance from internal audit or external review. 	<p>There are robust processes in place for managing risk. This was independently verified by internal audit in July 2023. Management are</p>	No further action

	<p>benchmarking.</p> <ul style="list-style-type: none"> Monitoring improvements to risk management. Reviewing accountability of risk owners for major/ strategic risks. 		<p>implementing the recommendations made. These will be followed up by internal audit and escalated in line with the agreed reporting arrangements where necessary.</p> <p>The Risk Management Framework was reviewed and updated in March 2023. The ARSC are provided with reports on the implementation of improvement actions and on the risks and issues register at each meeting of the ARSC. Risk owners are included on the risks and issues register.</p>	
<p>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</p>	<ul style="list-style-type: none"> Reviewing the adequacy of the leadership team's assurance framework. Specifying the committee's assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, e.g., internal audit, risk management, 	<ul style="list-style-type: none"> The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies. 	<p>The Local Code and Sources of Assurance for Governance it sets out how the IJB directs and controls its functions and how it interacts with service users, the local community and other stakeholders. The Code is reviewed annually and presented for approval to the ARSC, it was last reviewed in June 2023.</p>	<p>No further action</p>

	external audit.		<p>The Code is subject to an annual independent verification by Internal Audit with the results being reported to the ARSC.</p> <p>There is regular reporting by both internal and external audit and both meet with the ARSC privately each year.</p> <p>There is regular reporting from Risk Management.</p>	
Supporting effective external audit, with a focus on high quality and timely audit work.	<ul style="list-style-type: none"> • Reviewing and supporting external audit arrangements with focus on independence and quality. • Providing good engagement on external audit plans and reports. • Supporting the implementation of audit recommendations. 	<ul style="list-style-type: none"> • The quality of liaison between external audit and the authority is satisfactory. • The auditors deliver in accordance with their audit plan and any amendments are well explained. • An audit of high quality is delivered. 	<p>The external auditor's attend the ARSC to present their Annual Audit Plan and Annual Report on the Audit. The auditor's acknowledged the high standard of working papers and the co-operation from staff.</p> <p>There were no amendments to the external audit plan and each element of the plan is addressed in the Annual Report on the audit.</p> <p>The external audit met privately with the members of the ARSC in September</p>	No further action

			2023.	
Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.	<ul style="list-style-type: none"> • Reviewing the audit charter and functional reporting arrangements. • Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. • Actively supporting the quality assurance and improvement programme of internal audit. 	<ul style="list-style-type: none"> • Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment). • The head of internal audit and the organisation operate in accordance with the principles of the CIPFA Statement on the Role of the Head of Internal Audit (2019). 	<p>The internal audit charter was revised and approved by the ARSC in June 2023.</p> <p>The internal auditor attends each meeting of the ARSC and provides regular progress reports. Reports on the outcome of each audit engagement, the annual plan and annual report are also provided to the ARSC.</p> <p>The QAIP is reported in the internal audit annual report. The last external quality assessment was reported to the ARSC in June 2023. The report concluded that the internal audit function fully conforms with the Public Sector Internal Audit Standards and LGAN.</p> <p>The Chief Internal Auditor conforms with the CIPFA Statement on the Head of Internal Audit (2019) and this is disclosed in the governance statement and supported by job description, person</p>	No further action

			<p>specification, the audit charter.</p> <p>Internal Audit will meet privately with the members of the ARSC in November 2023.</p>	
<p>Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.</p>	<ul style="list-style-type: none"> • Reviewing how the governance arrangements support the achievement of sustainable outcomes. • Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. • Reviewing the effectiveness of performance management arrangements. 	<ul style="list-style-type: none"> • Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives. • The authority's arrangements to review and assess performance are satisfactory. 	<p>The ARSC's TOR includes a remit for "Review and consider reports of external inspections of health and social care services and facilities e.g., Mental Welfare Commission or Care Inspectorate."</p> <p>The ARSC also reviews the effectiveness of risk management arrangements, the risk profile of the services delegated to the IJB, and action being taken to mitigate identified risks.</p> <p>Major projects and programmes and reviewing performance is within the remit of the IJB and not the ARSC – This is considered to be an appropriate arrangement given the size and structure of the IJB.</p>	No further action
Supporting the development	<ul style="list-style-type: none"> • Ensuring that assurance 	<ul style="list-style-type: none"> • External audit's 	The external auditor	No further action

of robust arrangements for ensuring value for money.	<p>on value-for-money arrangements is included in the assurances received by the audit committee.</p> <ul style="list-style-type: none"> • Considering how performance in value for money is evaluated as part of the AGS. • Following up issues raised by external audit in their value-for-money work. 	assessments of arrangements to support best value are satisfactory.	concluded in their 2022/23 report that “The IJB has appropriate arrangements to secure Best Value, including performance and financial reporting arrangements.”	
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	<ul style="list-style-type: none"> • Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014). • Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks. • Assessing the effectiveness of ethical governance arrangements for both staff and governors. 	<ul style="list-style-type: none"> • Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements. 	<p>There is a Code of Conduct for Members of the IJB, that all members sign off with regard to compliance with the code.</p> <p>There is induction training for members and staff on standard of behaviour expected.</p> <p>Declarations of interests made and recorded at all Board and Committee meetings.</p> <p>There are appropriate policies and procedures for the register of interests and the register of gifts and hospitality.</p>	No further action

			<p>The IJB itself has a low risk of fraud and corruption the risks generally lie within the HSCP partner bodies, Council and NHS.</p> <p>External audit planning for 2022/23, identified a standard risk of fraud in the financial statements in relation to expenditure recognition, including through management override of control. There audit testing did not find any material misstatement or weakness in this regard.</p>	
<p>Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.</p>	<ul style="list-style-type: none"> Working with key members/ the PCC and chief constable to improve their understanding of the AGS and their contribution to it. Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English. 	<ul style="list-style-type: none"> The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality. The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion. The authority has published its financial statements and AGS in 	<p>The external auditor concluded in their annual report for 2022/23 that "The financial statements were prepared in accordance with the CIPFA Code of Practice on Local Government Accounting 2022/23. The draft financial statements and supporting working papers were submitted for audit by 30th June 2023, in line with requirements. The financial statements and</p>	<p>Prepare and publish an annual report from the committee.</p>

	<ul style="list-style-type: none"> • Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. • Publishing an annual report from the committee. 	<p>accordance with statutory guidelines.</p> <ul style="list-style-type: none"> • The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements. 	<p>working papers were of a good quality. We were satisfied that the IJB made the financial statements available for public inspection in accordance with Regulation 9 of The Local Authority Accounts (Scotland) Regulations 2014.</p> <p>In relation to adjustments the external auditor noted that “During the course of the audit, we identified one audit difference that management adjusted in the financial statements.”</p> <p>The external auditor’s opinion was unqualified for 2022/23.</p> <p>The annual accounts were well presented, including the use of charts and diagrams, to assist the readers of the accounts.</p> <p>The IJB has adopted governance arrangements consistent, where appropriate, with the principles of CIPFA and the</p>	
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			<p>Society of Local Authority Chief Executives (SOLACE) framework “Delivering Good Governance in Local Government” and the CIPFA Financial Management Code 2019 (FM Code). The Annual Governance statement explains how the IJB has complied with these governance arrangements and meets the requirements of the Code of Practice on Local Authority Accounting in the UK.</p>	
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OVERALL QUESTIONS TO CONSIDER

- 1 Does the committee proactively seek assurance over the key indicators?
- 2 How proactive is the committee in responding to aspects of governance, risk, control and audit that need change or improvement?
- 3 Are recommendations from the committee taken seriously by those responsible for taking action?

REPORTING RESULTS

The outcome of the review can be used to inform the committee’s annual report.

No.	Self-Assessment Area	Extent of Compliance	Action	Action Owner	Completion date
1	(6) Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	Minor Improvement Required	Consider preparing a brief ARSC update report for each IJB meeting.	Chair of the ARSC	November 2023
2	(8) Does the committee publish an annual report in accordance with the 2022 guidance, including: <ul style="list-style-type: none"> • Compliance with the CIPFA Position Statement 2022. • Results of the annual evaluation, development work undertaken and planned improvements. • How it has fulfilled its terms of reference and the key issues escalated in • the year? 	Major Improvement Required	An annual report including the required elements will be provided to the IJB to coincide with the preparation of the Annual Governance Statement.	Chair of the ARSC	June 2024
3	(7) Does the governing body hold the audit committee to account	Minor Improvement Required	Formally review the ARSC terms of reference, following this self-assessment, for consideration and approval by the IJB.	Chair of the ARSC	March 2024

	for its performance at least annually? (11) Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?				
4	(15) Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years? (16) Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	Moderate Improvement Required	Undertake a formal training needs analysis to inform the audit committee training and development programme.	Chief Internal Auditor	March 2024

**Renfrewshire Integration Joint Board
Audit, Risk and Scrutiny Committee**

Terms of Reference (Revised November 2023)

1. Introduction

- 1.1 The Audit, Risk and Scrutiny Committee, shall be a standing committee of Renfrewshire Integration Joint Board (IJB).
- 1.2 The Audit, Risk and Scrutiny Committee is not a decision-making committee. Decisions shall rest with the IJB, to which the Audit, Risk and Scrutiny Committee may make recommendations.

2. Purpose

- 2.1 The overarching purpose of the Committee is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting annual governance processes.
- 2.2 The Committee is responsible for reviewing independent audit and inspection reports; promoting the observance of high standards of financial propriety and for receiving updates on aligned areas of the Committee's remit, as outlined in Section 8.

3. Membership

- 3.1 Membership shall comprise of an equal number of voting members from both the Health Board and the Council. The Committee shall comprise two voting members from the Health Board, two from the Council and two from the non-voting membership.
- 3.2 The provisions in relation to duration of membership, substitution and removal of membership, together with those in relation to the code of conduct and declaration of interest, will be the same as those which apply to the IJB.

4. Chairmanship

- 4.1 The Chair of the IJB shall be a voting member chosen by the IJB. The Chair of the Committee must not be the Chair of the IJB, nor be a representative of the same constituent authority as the Chair of the IJB. The IJB may also appoint a voting member as Vice Chair of the Committee.

5. Attendance

- 5.1 The Chief Officer, Chief Finance Officer and Chief Internal Auditor shall normally attend each meeting of the Committee. The External Auditor shall also have the right to attend.
- 5.2 The Chief Finance Officer will be the Executive Lead for the Committee.
- 5.3 At least one meeting, or part thereof, shall provide the internal and external auditor with the opportunity to meet the members of the Committee without senior officers present.
- 5.4 The Chief Internal Auditor and appointed External Auditor will have free and confidential access to the Chair of the Committee.
- 5.5 Other professional advisors and/or senior officers shall be invited by the Chair to attend, as required.

6. Meeting Frequency

- 6.1 The Committee shall meet four times per year.

7. Quorum

- 7.1 The quorum of members at any meeting of the Committee will be at least three members of the Committee. At least two members present shall be IJB voting members.

8. Remit

- 8.1 Internal Audit and External Audit
 - Review and approve the internal audit plan on behalf of the IJB;
 - Review and consider progress reports on the delivery of the internal audit plan;
 - Review and consider Internal Audit Annual Report and Assurance Statement;
 - Review and consider six monthly summaries of the work undertaken by the partnership bodies internal auditors;
 - Review and consider External audit plans;
 - Review and consider Internal and External Audit reports which relate to any issue falling within the remit of the IJB;
 - Review and consider reports of external inspections of health and social care services and facilities e.g. Mental Welfare Commission or Care Inspectorate;
 - To consider the External Auditor's Annual Report and make recommendations to the IJB;
 - Seek assurance on the effectiveness of the internal controls in place, the arrangements for ensuring value for money and for managing the exposure to the risks of fraud and corruption;

- Supporting effective working relationships between internal and external audit, inspection agencies and other relevant bodies.

8.2 Risk Management

- Review of Risk Registers;
- Review the effectiveness of risk management arrangements, the risk profile of the services delegated to the IJB and action being taken to mitigate identified risks;

8.3 Assurance

- Referring any issues to the IJB for its consideration which may have implications within its remit;
- Review the Annual Accounts and approve the Annual Governance Statement prior to presentation for audit;
- Assess the effectiveness of governance arrangements including the Local Code.
- Oversight in relation to elements of reporting on front-facing aspects of business including areas such as public interactions (complaints, FOI etc) and Health and Safety arrangements.

9. Reporting

9.1 The Committee shall provide updates to the IJB summarising areas of business that have been discussed and considered during their meetings. These updates will take place in the form of verbal updates and will be presented to the next meeting of the IJB by the Chair/Vice Chair of the Committee. The Minutes of the Committee meetings will also routinely be provided to the members of the IJB alongside the wider agenda pack which includes all meeting papers.

9.2 In addition, the Committee will also undertake and produce an Annual Report to the IJB to summarise the key items of business considered in the preceding year, highlighting key areas of attention and any recommendations, for consideration, as appropriate.

9.3 The Committee shall also periodically review its own effectiveness and report the results to the IJB.

10. Conduct of Meetings

10.1 Meetings of the Committee will be conducted in accordance with the Standing Orders of the IJB.