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**To: Renfrewshire Integration Joint Board**

**On: 31 January 2020**

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**Report by: Chief Officer**

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**Heading: Review of Arrangements for the Renfrewshire IJB Audit Committee**

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**1. Purpose**

- 1.1. The purpose of this report is to set out to the Integration Joint Board, for consideration and agreement, revisions to the operational arrangements and the Terms of Reference for the IJB Audit Committee.
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**2. Recommendation**

It is recommended that the IJB:

- Approve the revised operational arrangements for the IJB Audit Committee;
  - Approve the revised Terms of Reference for the IJB Audit Committee, as detailed within Appendix 1; and
  - Approve the Audit Committee being renamed the Audit, Risk and Scrutiny Committee.
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**3. Background**

- 3.1. Renfrewshire IJB established an Audit Committee which came into being on 1 April 2016. The Audit Committee has met in accordance with the Terms of Reference, i.e. three times per year, since it was established.

- 3.2. The original remit for the Audit Committee included areas such as:

- Internal Audit and External Audit
  - Approving the Internal Audit Plan on behalf of the IJB;
  - Receiving reports on internal audit activity and reviewing actions taken on recommendations;
  - Seeking 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;
  - Overseeing the independence, objectivity, performance and professionalism of internal audit as it relates to those services delegated to the IJB;
  - Considering the reports of external audit and inspection agencies, their implications for governance, risk management and control and the actions being taken to take forward recommendations;

- Supporting effective working relationships between internal audit and external audit, inspection agencies and relevant bodies.
- Risk Management
  - Reviewing the effectiveness of the risk management arrangements, the risk profile of the services delegated to the IJB and action being taken to mitigate the identified risks.
- Assurance
  - Being satisfied that the IJB's annual assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.
- Financial Reporting
  - Reviewing the annual financial statements, external audit opinion and report to the IJB and monitor management action in response to the issues raised by external audit.

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#### **4. Proposed Changes**

- 4.1. Following a recent change in the Chairmanship of the IJB Audit Committee, discussions have taken place on the future operational arrangements for the Audit Committee.
  - 4.2. A revised Terms of Reference reflecting the proposed changes to the Audit Committee which includes renaming to the Audit, Risk and Scrutiny Committee attached in Appendix 1.
  - 4.3. It is further proposed that meetings of the Audit, Risk and Scrutiny Committee are increased in their frequency, from three to four meetings per annum, with these meetings taking place during the intervening periods of the IJB meetings.
  - 4.4. To help support the Audit, Risk and Scrutiny Committee agenda, we would like to propose that an agenda management process is put in place. This process will ensure that all relevant business is planned in an annual cycle for the Audit, Risk and Scrutiny Committee. A draft of the agenda management process is attached in Appendix 2.
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#### **Implications of the Report**

- 1. **Financial** – None.
- 2. **HR & Organisational Development** – None.
- 3. **Community Planning** – None.
- 4. **Legal** – The membership of the Integration Joint Board is defined in the Public Bodies (Joint Working) (Scotland) Act 2014 and associated regulations.
- 5. **Property/Assets** – None.
- 6. **Information Technology** – None.

7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.

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**List of Background Papers** – IJB Audit Committee Terms of Reference (April 2016)

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

**Terms of Reference (Revised January 2020)**

**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. The Committee is responsible for reviewing audit and inspection reports; promoting the observance of high standards of financial propriety and for receiving updates on and scrutinising progress with key pieces of work across the HSCP.

**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, or 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.

# 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. Minutes of the Committee meetings will be provided to the IJB.

9.2 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.





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

**EXAMPLE - Business Programme 2019/20**

	<b>Date of Meeting</b>	<b>Business</b>
1 April 2020 – 30 June 2020	<b>Xx</b> June 2020	<ul style="list-style-type: none"> <li>• Internal Audit Annual Report 2019/20</li> <li>• Internal audit report on the adequacy and effectiveness of the Local Code of Corporate Governance</li> <li>• Annual Governance Statement</li> <li>• Audit Scotland Annual Audit Plan 2019/20</li> <li>• Unaudited Annual Accounts 2019/20</li> <li>• Local Code of Governance and Sources of Assurance</li> </ul>
1 July 2020 to 30 September 2020	<b>Xx</b> September 2020	<ul style="list-style-type: none"> <li>• Audited Annual Accounts 2019/20</li> <li>• Annual Audit Report on IJB Accounts 2019/20</li> </ul>
1 October 2020 to 31 December 2020	<b>Xx</b> December 2021	<ul style="list-style-type: none"> <li>• Internal Audit Plan 2020/2021 - Progress</li> <li>• Summary of Internal Audit reports from partner bodies</li> <li>• Risk Registers</li> </ul>
1 January 2021 to 31 March 2021	<b>Xx</b> March 2021	<ul style="list-style-type: none"> <li>• Internal Audit Annual Plan 2021/22</li> <li>• Internal Audit Plan 2020/21 – Progress</li> <li>• Summary of Internal Audit reports from partner bodies</li> <li>• Risk Registers – Progress</li> <li>• Local Code of Governance and Sources of Assurance</li> <li>• Dates of Meetings in 2021/22</li> </ul>
1 April 2021 – 30 June 2021	<b>Xx</b> June 2021	<ul style="list-style-type: none"> <li>• Internal Audit Annual Report 2019/20</li> <li>• Unaudited Annual Accounts 2020/21</li> </ul>

		<ul style="list-style-type: none"> <li>• Internal audit report on the adequacy and effectiveness of the Local Code of Corporate Governance</li> <li>• Annual Governance Statement</li> </ul>
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***Planned business still to be scheduled***

- Inspection Reports
- Planned internal audit assurance and governance reviews