

Integration Joint Board
21 March 2019

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| Subject: | IJB Performance and Audit Committee - Terms of Reference |
| Purpose: | The IJB Performance and Audit Committee Terms of Reference have been reviewed and are presented to the IJB for formal approval. |
| Recommendation: | The IJB are asked to approve the updated Terms of Reference for the IJB Performance and Audit Committee and note that membership of the committee will require to be confirmed at the IJB meeting in April. |

| Glossary of Terms | |
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| IJB | Integration Joint Board |
| PAC | Performance and Audit Committee |
| ToR | Terms of Reference |

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| 1. | EXECUTIVE SUMMARY |
| 1.1 | The IJB Performance and Audit Committee Terms of Reference were last reviewed in June 2015. This was at the point early in the partnerships existence when the Committee was established, as such the ToR reflected this and included a very general overview of the role of PAC. The ToR has subsequently been reviewed and updated to clarify the role of the Committee, the PAC agreed the updated ToR at their meeting on 8 March 2019. |
| 1.2 | The terms of reference have been reviewed to make the role of the IJB PAC more defined in terms of the areas of responsibility including Performance, Audit, Risk and other Governance areas. In addition the reporting lines of the committee are explicit with clear links to reporting back to the IJB on the ongoing work programme and any other matters. |
| 1.3 | The full membership of the IJB PAC will require to be determined at the IJB meeting in April together with the membership of the IJB and other sub-committees. |
| 2. | BACKGROUND |
| 2.1 | The IJB PAC Terms of Reference were approved by the IJB on 4 June 2015, these have been reviewed and the revised ToR are included as Appendix 1. These are submitted by PAC to the IJB for approval. |
| 2.2 | The current ToR were approved when the Committee was established, this was at an early stage when the full role and function of the Committee was potentially less clear. The role of the Committee has developed over time and it is appropriate the ToR are updated to reflect this. In addition there has previously been an absence of a work plan for the Committee and some meetings have been cancelled due to attendance levels and meetings not being quorate. |

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| 3. | PROPOSALS |
| 3.1 | <p>The main changes to the terms of reference are noted below:</p> <ul style="list-style-type: none"> • Membership - IJB to nominate deputy members for the two IJB voting members, this is to ensure continuity of attendance and reduces the risk of cancellation due to not being quorate; • Delegated Authority – clarity of reporting to the IJB, routinely with submission of minutes and on any area falling under the PAC ToR; • Remit – clarity of the role of the committee with responsibilities aligned under performance, audit, risk, annual accounts and standards; • Remit – expanded in relation to role for risk management arrangements, providing the oversight and assurance of process, negating the need for a separate risk governance committee. |
| 3.2 | The IJB PAC has agreed a high level work plan for 2019-20 aligned to the revised ToR. This supports an ongoing focus on the role of the Committee and an approach to forward planning for the work of the Committee, ensuring appropriate assurance can be provided to the IJB. |
| 3.3 | The IJB will require to take into consideration the membership requirements of the IJB PAC when new appointments are made to committees in April 2019. |
| | <u>Anticipated Outcomes</u> |
| 3.4 | The IJB is required to properly manage its affairs, a key component to fulfilling this obligation is having an Audit Committee. The updated Performance and Audit Committee ToR and work plan will ensure the committee can continue to fulfil the key role with regard to ensuring sound governance arrangements are in place and ensuring the efficient and effective performance of the HSCP. |
| | <u>Measuring Impact</u> |
| 3.5 | The work plan of the Performance and Audit Committee is aligned to the Terms of Reference for the Committee, the IJB will receive regular updates on the work of the Committee. |
| 4. | IMPLICATIONS |
| Financial: | A key component to properly managing the financial affairs of the IJB is to have an Audit Committee in place. |
| Human Resources: | None |
| Legal: | The IJB are required to have an Audit Committee in place as a formal sub-committee of the IJB. |
| Equality: | None |
| Children and Young People | None |
| Environmental & Sustainability: | None |
| Key Priorities: | The Performance and Audit Committee have an important role in providing assurance to the IJB for performance management arrangements in place to measure progress against key priorities and outcomes. |

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| Risk Implications: | The revised ToR provides clarity on the role of the IJB PAC in relation to risk management. |
| Community Benefits: | None |

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| Direction Required to Council, Health Board or Both | Direction to :- | |
| | 1. No Direction Required | √ |
| | 2. North Ayrshire Council | |
| | 3. NHS Ayrshire & Arran | |
| | 4. North Ayrshire Council and NHS Ayrshire & Arran | |

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| 4. | CONSULTATION |
| | The revised ToR has been updated in consultation with the IJB PAC and was agreed for submission for IJB approval at the PAC meeting on 8 March. |
| 5. | CONCLUSION |
| | The revised ToR for the IJB PAC will ensure the Performance and Audit Committee can progress with a focussed work plan, a clear reporting line to the IJB and also with a resilient membership which will ensure continuity of representation. The changes are compliant with governance requirements for the effective operation of the Performance and Audit Committee. |

For more information please contact Caroline Whyte, Chief Finance and Transformation Officer on 01294 324954 or caroline.whyte@north-ayrshire.gov.uk

**NORTH AYRSHIRE INTEGRATION JOINT BOARD
PERFORMANCE AND AUDIT COMMITTEE
TERMS OF REFERENCE**

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| | INTRODUCTION |
| 1.1 | The Integration Joint Board (IJB) is required to properly manage its financial affairs, a key component to fulfilling this obligation is to have an Audit Committee. |
| 1.2 | The Performance and Audit Committee is identified as a Standing Committee of the IJB. The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the Standing Orders. |
| 1.3 | The IJB Performance and Audit Committee will have a key role with regard to: <ul style="list-style-type: none"> • Ensuring sound governance arrangements are in place for the IJB; and • Ensuring the efficient and effective performance of North Ayrshire's Health and Social Care Partnership in order to deliver the outcomes set out in the Integration Scheme and Strategic Plan. |
| | CONSTITUTION |
| | Appointments |
| 2.1 | The IJB shall make all appointments to the Committee. |
| | Membership |
| 2.2 | The Committee will consist of not less than six members of the IJB, excluding Professional Advisors. The Committee will include a minimum of two voting members, with one from NHS Ayrshire and Arran and one from North Ayrshire Council. There will be a requirement for the IJB to appoint deputy members for the two voting members. |
| | Chair and Vice-Chair |
| 2.3 | The Chair and Vice Chair will be appointed by the IJB. The Chair of the Committee will be a voting Member nominated by the IJB, noting that the Chair of the IJB cannot also chair the Performance and Audit Committee. |
| 2.4 | The Chair and Vice Chair appointments will be for a two year term. |
| | Quorum |
| 2.5 | Three Members of the Committee will constitute a quorum, with at least one of the members being the Chair or Vice Chair (or nominated deputy). |
| | Frequency of Meetings |
| 2.6 | The Committee will meet at least four times each financial year. There should be at least one meeting a year, or part therefore, where the Committee meets the external auditor and Chief Internal Auditor without other seniors officers present. |

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| | Attendance at meetings |
| 2.7 | The Chief Officer, Chief Finance Officer, Chief Internal Auditor and other Professional Advisors or their nominated representatives will attend meetings. Other persons may attend meetings by invitation of the Committee. |
| 2.8 | The IJB external auditor will be invited to attend meetings of the IJB Performance and Audit Committee. |
| 2.9 | The Committee may co-opt additional advisors as required. |
| 2.10 | The Committee may at its discretion set up working groups for specific tasks. Membership of working groups will be open to anyone whom the Committee considers will be able to assist in the task assigned. The working groups will not be decision making bodies or formal committees but will report findings and recommendations to the Performance and Audit Committee. |
| | POLICY AND DELEGATED AUTHORITY |
| 3.1 | The IJB Performance and Audit Committee is authorised to request reports and to make recommendations to the IJB on any matter which falls within its Terms of Reference. |
| 3.2 | The Performance and Audit Committee is responsible for setting its own work programme which will include the right to undertake reviews following input from the IJB or any other IJB Committees. This will include any areas required in order to properly advise the IJB on matters covered by the Performance and Audit Committee Terms of Reference. |
| 3.3 | The Committee will report to the Integration Joint Board, the IJB will be informed of the work of the committee through the review of minutes. The Performance and Audit Committee may report to the IJB on any matters. |
| | REMIT |
| 4.1 | The IJB Performance and Audit Committee will review the overall internal control arrangements of the IJB and make recommendations to the IJB regarding signing of the Governance Statement and any other matters within its Terms of Reference. |
| 4.2 | Performance and Audit Committee areas of responsibility include: |
| | Performance |
| | <ul style="list-style-type: none"> i. The monitoring of the strategy for Performance management and reporting, including monitoring the performance of the Partnership towards achieving its policy objectives and priorities in relation to all functions of the IJB. ii. Ensuring that the Chief Officer establishes and implements satisfactory arrangements for reviewing and appraising service performance against agreed objectives, levels and standards of service. iii. To consider reports on performance and to review progress against the national outcomes and the outcomes in the Strategic Plan. iv. To review inspection reports for Health and Social Care Services where appropriate on behalf of the IJB, including review of management responses and actions. |

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| | Audit |
| | <ul style="list-style-type: none"> i. Approve and monitor the annual work programme of Internal Audit. ii. To oversee and review progress on actions taken on audit recommendations and report to the IJB on these as appropriate. iii. To consider matters arising from Internal and External Audit reports and review on a regular basis action planned by management to remedy any weaknesses in controls. iv. To consider matters arising and recommendations from National Audit reports ensuring oversight of appropriate planned actions. v. To have oversight of Information Governance arrangements as part of the Performance and Audit process. |
| | Risk |
| | <ul style="list-style-type: none"> i. To review risk management arrangements and receive regular risk management updates and reports. ii. To have oversight of risk management arrangements, including the Risk Management Strategy and assurance for compliance with the strategy and governance arrangements in place for recording and reporting risk within the partnership. iii. Oversight of Strategic Risks for the IJB, with regular review to inform audit activity. |
| | Annual Accounts |
| | <ul style="list-style-type: none"> i. To consider the annual financial accounts of the IJB and any related matters before submission to and approval by the IJB. ii. To consider any changes to accounting standards, regulations and guidance in relation to IJB accounts and report as required to the IJB. |
| | Standards |
| | <ul style="list-style-type: none"> i. Ensuring that the Partnership Senior Management Team, including Heads of Service, Professional Leads and Principal Managers maintain effective controls within their services which comply with financial procedures and regulations. ii. Promoting the highest standards of conduct and professional behaviour by IJB members. iii. Monitoring and keeping under review the Codes of Conduct maintained by the IJB. |

North Ayrshire Integration Joint Board
Performance and Audit Committee
Workplan - 2019-20



| AREA | BUSINESS | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 |
|---------------------|--------------------------------------|--------|--------|--------|--------|--------|
| Performance: | | | | | | |
| * | Quarterly Performance Report | √ | √ | √ | √ | √ |
| | MSG Target Setting | √ | | | | √ |
| | Annual Performance Report | | √ | | | |
| * | Inspection Reports | | | | | |
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| Audit: | | | | | | |
| | External Audit Plan | √ | | | | √ |
| | Internal Audit Plan | | √ | | | |
| | Unaudited Accounts | | √ | | | |
| | External Audit Annual Report | | | √ | | |
| | Audited Accounts | | | √ | | |
| | Internal Audit Annual Report | | √ | | | |
| * | National Audit Reports | | | | | |
| * | Internal Audit Reports | | | | | |
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| Risk: | | | | | | |
| * | Strategic Risk Register | | √ | √ | √ | √ |
| | Risk Management Protocol | √ | | | | |
| | Risk Strategy | | | √ | | |
| | Risk Appetite Statement | | | √ | | |
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| Other: | | | | | | |
| | Quarterly MSG Finance Return | √ | √ | √ | √ | √ |
| | Financial Regulations | | | √ | | |
| | Policy/Strategy Schedule | | √ | | | |
| | Set Aside | | | | | |
| | Directions (Consultation & Progress) | | | | | |
| | Risk Sharing Protocols | | | | | |

* indicates standing item