REPORT TO ABERDEENSHIRE INTEGRATION JOINT BOARD AUDIT COMMITTEE – 3 MAY 2024

IJB AUDIT COMMITTEE TERMS OF REFERENCE AND ASSURANCE FRAMEWORK UPDATE

1   Recommendation

1.1   **The Committee is recommended to note that a review of the IJB Governance Handbook has been undertaken and approved by the IJB including the refresh of the IJB Audit Committee Terms of Reference and proposals for the assurance framework to be included in the Handbook.**

2   Background / Discussion

2.1   A review of the IJB Governance Handbook has been undertaken and amendments made, both as a result of audits, professional committee support and alignment between Committees.

3   Terms of Reference

3.1   The Terms of Reference for the Audit Committee were reviewed and agreed by the IJB in March 2022 on the adoption of the Governance Handbook. In July 2023 a report was considered by the IJB Audit Committee proposing that it was appropriate to review their Terms of Reference and to consider developing an assurance framework that can be used by IJB Audit Committee members whilst considering reports.
Rather than incorporating that assurance framework within the Terms of Reference of the Audit Committee we have included a new Assurance Framework for use by any of the IJB and its Committees as part 7 of the Handbook.

3.2   Amendments to the Handbook approved included amendments to the Audit Committee Terms of Reference, specifically quorum and meetings and the addition of the new "Assurance Framework".

3.3   Sometimes it can be difficult to achieve the necessary quorum and accordingly to ensure that meetings and the IJB work continues to flow, uninterrupted, without lengthy disruption, we have proposed reducing quorum numbers for the CASWG Committee. Both IJB Audit Committee and CASWG Committee would accordingly only require 3 members (in addition to the Chair/Vice) going forward and this maintains consistency across the two committees.

3.4   With regards to the meetings it would be beneficial to have a pre-agreed timetable to comply with Agenda Publication. Minutes will be circulated with the reports for the next agenda. Committee Officer support will ensure all minutes follow a consistent template as will reports.

3.5   It is important that all papers/reports clearly state if they are accessible to the public or not public. The proposed wording ensures partnership information from an NHS source has been given due consideration.

3.6   **Terms of Reference Detail**

Audit Committee Terms of Reference

Constitution
The IJB shall appoint the Committee. The Committee will consist of not less than six members of the IJB. Four members will be voting members of the IJB, and two members will be non -voting members of the IJB. The Committee will include an equal number of voting members from NHS Grampian and Aberdeenshire Council. The Committee will follow the Integration Joint Board Standing Orders unless otherwise provided for in these Terms of Reference.

Quorum
Full Capacity
The meeting will be considered quorate when the Chair or Vice Chair and a minimum of 3 (three) other committee Members are present. There should be a minimum of one voting member from each of the constituent authorities. No business shall be transacted unless the minimum number of Members are present. For the purposes of determining whether a meeting is quorate, Members attending by either video or tele-conference link will be determined to be in attendance.
Temporary Vacancy
In the event that there is a temporary vacancy, and the quorum is not met as above, then a minimum of 3 (three) members will suffice provided that there is one voting member of each of the constituent authorities.
Voting (Full Capacity)
Refer to principles set out in the Standing Orders.
Voting (Temporary Vacancy)
In the event that Committee wish to vote on a matter and there is a temporary vacancy in the voting membership of the Audit Committee resulting in only 3 voting members being present, the Audit Committee, after consideration of any potential risks in delaying a decision, will decide which of the following procedures to follow:-
a. If all 3 (three) members are in agreement, then a decision may be confirmed; or
b. If there is any dissent in the decision :-
(i) the committee may take a decision by the casting of lots; or
(ii) to instruct the Chief Officer to bring back a further report with such clarification as may be appropriate to a future meeting of the Audit Committee

By way of clarification the person presiding at the meeting does not have a second or casting vote.

Attendance at meetings

The Chief Officer, Chief Finance Officer, Chief Internal Auditor and other Professional Advisors and senior officers will be required to attend meetings as a matter of course. External Audit or other persons shall be expected to attend meetings at the invitation of the Committee. The Chair and Vice-Chair or any other IJB member may attend meetings if they wish.

The external auditor will attend at least one meeting per annum.

The Committee may co-opt additional advisors as required.

Meeting Frequency

Committee Officer support for the Audit Committee will be provided by Aberdeenshire Council.

The Committee will meet at least four times each financial year. A calendar of meetings for each year will be agreed and distributed to Committee members. Additional meetings may be convened by the Chair whenever necessary. There should be at least one meeting a year, or part thereof, where the Committee is given the opportunity to meet the external and Chief Internal Auditor on an informal basis without other senior officers present.

Agenda items and reports will be requested four weeks in advance of the meeting date and must be received by the administrator within two weeks of the meeting date. Agenda items and reports will be requested according to a pre-agreed annual timetable, to comply with agenda publication.

All papers must clearly state:
• The agenda reference;
 • The author;
• The purpose of the paper;
• The matters the Committee is asked to consider;
• The actions on which the Committee is asked to advise, including whether the report is public or not public.

The agenda and associated papers will be circulated to members, a minimum of one week ahead of the meeting.
Late agenda items and reports will be sent to the Chair to determine whether they will be included at the meeting.
A formal minute of the Committee meeting will be taken. The draft minute will be included on the agenda for the next meeting of the Committee for approval. The Minute will be considered, corrected, if need be, and where they are held to be a correct record of the Meeting, they will be signed where possible, by the person presiding and given to the Committee Officer. Where the person presiding is no longer available the Minute will be signed by the current Chair.

The minutes and reports will follow an agreed template to ensure consistency with other IJB committees. If the Chief Officer or Chief Finance Officer consider that a Report (or any part of a report) relates to an item of business

which, in their option, the Meeting is likely to consider in private, the report (or part of that report) will either be marked:-

"Not for Publication" and every copy of the report (or the appropriate part of a report) will reference a description of the exempt information the Report contains, in keeping with the law; or

"Confidential" and every copy of the report (or the appropriate part of the report) will state that it contains confidential information.

Papers which contain confidential information will not be available to the general public. The types of information that are classed as exempt can be found in Part 5 of this Handbook.

The Committee may arrange additional workshops and training sessions to support its work and development of members.

Committee Effectiveness and Development Needs

3.7   The Terms of Reference previously stated that the Committees would review their effectiveness and consider their development and training needs at least annually. A development session with all members of IJB Committees was held to facilitate a robust review of each of the Committee's effectiveness, including whether they have the structure, processes, people and performance to deliver their remits. Self-evaluations by members were completed in or around January /February 2024 and those reviews/self-evaluations considered how the Committees interact with officers and with the IJB as a whole.

3.8   Following the completion of the self-assessment by members, an action plan will now be developed for the Committees from the data gathered. That action plan once devised and implemented will require to be tracked and monitored and will include relevant development and training needs for the committees.

Assurance Framework

3.9   Scrutiny, or challenge and review is fundamental to transparent, accountable decision making and performance improvement. Scrutiny is about assessing the impact of strategic policy and planning on communities and residents and the performance and quality of services. The role of IJB members is to provide a "critical friend" challenge to decision making, to reflect the voice and concerns of residents and communities, to lead and to own the scrutiny process and importantly to have a positive impact on the delivery and improvement of services. The goal of all scrutiny activity should be to improve performance and members should bear this in mind when contemplating scrutiny activity, including understanding the value that the IJB or committee can bring.

3.10   In order to provide structure and to guide consideration of scrutiny activity and assurance, a proposed Assurance Framework has been developed. This will assist the IJB and its Committee in determining whether they are sufficiently assured by matters brought to them.

3.11 The IJB Assurance Framework approved sets out four sequential phases for consideration. Any reference to Committees includes the IJB other than in Phase Three.

Phase Zero
This is the initial decision point for the Committee allows them to determine whether or not they are sufficiently assured with a report. This will mainly focus on the internal audit reports but is not restricted only to this. Where the Committee is assured, no further action is required. Where the Committee is not assured, they can consider whether they wish to move to Phase One of the Assurance Framework.

Phase One - Report
The proposed Phase One of the Assurance Framework is that, where the Committee are not sufficiently assured, the Committee identify the specific issues where further assurance is required and request a Report back within an agreed timescale on the issues identified along with actions being undertaken to resolve the issues. When requesting further scrutiny, the Committee must be clear on what the matter identified for improvement is, and what improvements are expected. These must be realistic and achievable, and capable of being measured through the use of SMART (Specific, Measurable, Achievable, Realistic and Timescale)
indicators. The report will then come back to the Committee for consideration. Following consideration, the Committee will then need to consider whether or not they are sufficiently assured.

There are three potential routes thereafter.
One would be that the Committee is assured, and so no further action is required.
The second option could be that the Committee is assured however wish to monitor progress until the recommendations are signed off.
The third option is that the Committee is not sufficiently assured and so want to move to the next Phase of the Assurance Framework.

Phase Two - Workshop
Where the Committee are not sufficiently assured following Phase One, the Committee can move to Phase Two which could be a workshop session where the relevant stakeholders and Committee members come together to explore the issues, ask detailed questions and discussion on actions being taken to resolve the issues. A report summarising the discussion will then come back to the Committee for consideration. Following consideration, the Committee will then need to consider whether or not they are sufficiently assured.

There are again three potential routes thereafter.
One would be that the Committee is assured, and so no further action is required.
The second option could be that the Committee is assured however wish to monitor progress until the recommendations are signed off.
The third option is that the Committee is not sufficiently assured and so want to move to the next Phase of the Assurance Framework.

Phase Three – Escalation to IJB or Investigation
In a situation where the Committee is not sufficiently assured following Phase Two, the next step is to refer the matter to the IJB with a note of the concerns of the IJB Audit Committee along with a summary of the risks and recommendations to the IJB for resolution.

3.12   The phases as described above provide clear options for the Audit Committee to consider when determining whether or not assurance has been provided on particular issues. The phases are designed to be sequential, with ultimate escalation to the IJB for consideration where the Committee remain unassured. The proposed assurance framework is presented with recommendation for approval and adoption.

4   Equalities, Staffing and Financial Implications

4.1   An equality impact assessment is not required because the reason for this report is for the Committee to agree its own business planner.

4.2   There are no staffing and financial implications arising as a direct result of this report.

Chris Smith
Chief Finance and Business Officer
23 April 2024