



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 20 APRIL 2022

AUDIT COMMITTEE – CONSTITUTIONAL ARRANGEMENTS

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

To present a report setting out proposed updates to the Audit Committee's constitutional arrangements. If supported, these would be forwarded to the IJB for subsequent approval.

1. RECOMMENDATION

The Audit Committee consider the proposed changes and support these changes for onward submission to the IJB for formal approval.

2. BACKGROUND

The IJB's Audit Committee's annual work plan includes an annual review of the Committees terms of reference. This was considered at the December 2021 Audit Committee with a general recommendation for rolling over existing constitutional arrangements. However there was some debate regarding the existing arrangements and the issue was further discussed at the Audit Committee's development session in February 2022.

3. ASSESSMENT

Following previous discussion and after advice from various sources, a series of adjustments are now proposed. Some of the proposed adjustments have largely been accepted in previous discussion including:

- The formalisation of the need for an annual private meeting of members with the IJB's auditors.
- The formalisation of the need to provide an annual report to the IJB.
- Some more minor improvements in wording.

Beyond the above, the main point of debate was regarding membership and declaration of interests. In particular there have been observations regarding membership of the Audit Committee and members having executive roles in the IJB or in the IJB's partner's management structures.

To clarify any issues with respect to IJB executive roles, an adjustment is now added in to effect that IJB members who are also hold executive roles in the partnership may not be members of the Audit Committee.

It is also proposed that the Audit Committee continues to allow IJB members who hold executive roles with the IJB's partners can continue to be members of the IJB's Audit Committee. At this point it is important to note this has been the case since the inception of the

IJB and IJB members who are also hold executives roles with partners are supporting the IJB's Audit Committee, not the partners Audit Committees, and do bring a significant level of complementary experience and expertise to the Audit Committee.

It is important to note the IJB's draft proposed Standing Orders , which also apply to the IJB's Audit Committee include at section 7:

- A member must disclose any direct or indirect pecuniary or other interest which the member considers should be disclosed in relation to an item of business to be transacted at a meeting of the integration joint board, or a committee of the integration joint board, before taking part in any discussion on that item.
- Where an interest is disclosed under Standing Order 8, the member disclosing the interest is to decide whether, in the circumstances, it is appropriate for that member to take part in discussion of or voting on the item of business.

While this does apply to the IJB and the IJB Audit Committee, issues regarding conflicts of interest are of particular importance in Audit Committees type forums. Therefore, to augment the above which focuses on self-declaration, it is proposed to add additional clauses into the Audit Committees constitution to allow members of the Audit Committee to raise issues regarding potential conflicts of interests of another member. Any instance of this can then be determined by the Chair of the Audit Committee in line with the Model Code for Members of Committees. The code itself notes the test of a conflict of interest being "where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision-making." This additional protection is added at section 1.6 of the attached proposed arrangements.

The existing Audit Committee constitution is attached at appendix 1 with a series of proposed amendments. An updated version of the proposed IJB's Audit Committee's constitution after acceptance of tracked changes is attached at appendix 2.

4. CONCLUSION

The Audit Committee requires to consider the proposed changes and support these changes for onward submission to the IJB for formal approval.

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Appendices

Appendix 1 - Proposed IJB Audit Committee Constitutional Arrangements (with tracked changes)
Appendix 2 - Proposed IJB Audit Committee Constitutional Arrangements

APPENDIX 1 – PROPOSED IJB AUDIT COMMITTEE CONSTITUTIONAL ARRANGEMENTS

ANGUS INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE

CONSTITUTIONAL ARRANGEMENTS (Last Updated February 2020)(Report 3/20, as part of IJB Constitutional Arrangements)

1. Membership

1.1 The IJB Audit Committee shall comprise of 7 members of the Integration Joint Board all of whom will be entitled to vote at the IJB Audit Committee. The 7 members shall include:-

- (i) at least two voting members of the Integration Joint Board (one each from the voting membership of Angus Council and NHS Tayside) (excluding the Chair and Vice Chair of the Integration Joint Board who cannot be members of the IJB Audit Committee); and,
- (ii) at least three non voting members of the Integration Joint Board (excluding the Chief Officer, ~~and~~ Chief Financial Officer and other members of the Integration Joint Board who are members of the IJB by virtue solely of their roles within Angus IJB, who cannot be members of the IJB Audit Committee but who will be expected to attend).

1.2 The IJB Chief Officer and Chief Finance Officer will be expected to attend meetings of the Audit Committee.

1.32 The membership of the IJB Audit Committee shall be reviewed, re-selected and re-approved by the Integration Joint Board on a in October 2018 and three yearly basis¹, thereafter.

1.43 The IJB Audit Committee should meet at least four times per year unless circumstances require additional meetings.

1.54 On an annual basis there shall be one private, unminuted meeting of the members of the Audit Committee with the IJB's Internal and External Auditors.

1.65 On an annual basis, tThe IJB Audit Committee shall appoint a Chair and Vice Chair of the IJB Audit Committee (who need not be a voting member of the Integration Joint Board).

1.76 Members of the IJB Audit Committee will require to attend one development event a year in respect of their role as IJB Audit Committee members.

1.87

Members of the Audit Committee shall subscribe to and comply with the Standards in Public Life - Model Code of Conduct for Members of Devolved Public Bodies (2021) ("Model Code") which is deemed to be incorporated herein.

1.98 Where an interest is disclosed, the member disclosing the interest is to decide whether, in the circumstances, it is appropriate for that member to take part in discussion of or voting on the item of business, using the tests contained within the Model Code. Any member of the Audit Committee can raise an issue of a potential conflict of interest of another member of the Committee, and the Audit Committee Chair will determine whether the conflict meets the tests set out in the standing orders.

2. Remit

2.1 The remit of the IJB Audit Committee shall be:-

- (i) to agree the Internal IJB Audit Plan for the Integration Joint Board (without further reference to the Integration Joint Board) and to monitor that plan thereafter;
- (ii) to consider the terms of any external or internal Inspections, assessments or audits of the Integration Joint Board with a view to making recommendations to the Integration Joint Board in respect thereof (excepting there from external or internal inspections, assessments or audits in respect of clinical and/or care governance); and
- (iii) to scrutinise and approve the annual accounts and Governance Statements.

2.2 The Audit Committee will be required to provide an annual report of its activities and business to the IJB.

3. Quorum

3.1 No business shall be transacted at a meeting of the IJB Audit Committee unless there are present at least three voting Members of the IJB Audit Committee.

4. Reports to the IJB Audit Committee of the Integration Joint Board

4.1 The following shall have the right to submit reports to the IJB Audit Committee of the Integration Board which must be considered by the IJB Audit Committee of the Integration Board:-

- The Chief Officer of the Integration Board
- The Chief Finance Officer of the Integration Board
- The Integration Board's External Auditors
- The Integration Boards Internal Auditors

Notes

1. Last reviewed October 2021 (report 53/21). https://www.angus.gov.uk/sites/default/files/2021-10/Report%20IJB%2053_21%20Appointments.pdf

APPENDIX 2 – PROPOSED IJB AUDIT COMMITTEE CONSTITUTIONAL ARRANGEMENTS

ANGUS INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE

CONSTITUTIONAL ARRANGEMENTS (Last Updated February 2020)(Report 3/20, as part of IJB Constitutional Arrangements)

1. Membership

- 1.1 The IJB Audit Committee shall comprise of 7 members of the Integration Joint Board all of whom will be entitled to vote at the IJB Audit Committee. The 7 members shall include:-
 - (i) at least two voting members of the Integration Joint Board (one each from the voting membership of Angus Council and NHS Tayside) (excluding the Chair and Vice Chair of the Integration Joint Board who cannot be members of the IJB Audit Committee); and,
 - (ii) at least three non voting members of the Integration Joint Board (excluding the Chief Officer, Chief Financial Officer and other members of the Integration Joint Board who are members of the IJB by virtue solely of their roles within Angus IJB).
- 1.2 The IJB Chief Officer and Chief Finance Officer will be expected to attend meetings of the Audit Committee.
- 1.3 The membership of the IJB Audit Committee shall be reviewed, re-selected and re-approved by the Integration Joint Board on a three yearly basis¹.
- 1.4 The IJB Audit Committee should meet at least four times per year unless circumstances require additional meetings.
- 1.5 On an annual basis there shall be one private, unminuted meeting of the members of the Audit Committee with the IJB's Internal and External Auditors.
- 1.6 On an annual basis, the IJB Audit Committee shall appoint a Chair and Vice Chair of the IJB Audit Committee (who need not be a voting member of the Integration Joint Board).
- 1.7 Members of the IJB Audit Committee will require to attend one development event a year in respect of their role as IJB Audit Committee members.
- 1.8 Members of the Audit Committee shall subscribe to and comply with the Standards in Public Life - Model Code of Conduct for Members of Devolved Public Bodies (2021) ("Model Code") which is deemed to be incorporated herein.
- 1.9 Where an interest is disclosed, the member disclosing the interest is to decide whether, in the circumstances, it is appropriate for that member to take part in discussion of or voting on the item of business, using the tests contained within the Model Code.

2. Remit

- 2.1 The remit of the IJB Audit Committee shall be:-
 - (i) to agree the Internal IJB Audit Plan for the Integration Joint Board (without further reference to the Integration Joint Board) and to monitor that plan thereafter;
 - (ii) to consider the terms of any external or internal Inspections, assessments or audits of the Integration Joint Board with a view to making recommendations to the Integration Joint Board in respect thereof (excepting there from external or internal inspections, assessments or audits in respect of clinical and/or care governance); and
 - (iii) to scrutinise and approve the annual accounts and Governance Statements.
- 2.2 The Audit Committee will be required to provide an annual report of its activities and business to the IJB .

3. Quorum

- 3.1 No business shall be transacted at a meeting of the IJB Audit Committee unless there are present at least three voting Members of the IJB Audit Committee.

4. Reports to the IJB Audit Committee of the Integration Joint Board

- 4.1 The following shall have the right to submit reports to the IJB Audit Committee of the Integration Board which must be considered by the IJB Audit Committee of the Integration Board:-
- The Chief Officer of the Integration Board
 - The Chief Finance Officer of the Integration Board
 - The Integration Board's External Auditors
 - The Integration Boards Internal Auditors

Notes

1. Last reviewed October 2021 (report 53/21). https://www.angus.gov.uk/sites/default/files/2021-10/Report%20IJB%2053_21%20Appointments.pdf