

REPORT

Item No: 5

SUBJECT:	Performance, Finance and Audit Committee Terms of Reference
TO:	Performance, Finance and Audit Committee
Lead Officer for Report:	Chief Accountable Officer
Author(s) of Report	Operational Manager
DATE:	10 January 2018

1. PURPOSE OF REPORT

1.1 This paper is coming to the Performance, Finance and Audit Committee:

For approval	<input type="checkbox"/>	For endorsement	<input type="checkbox"/>	For noting	<input checked="" type="checkbox"/>
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1.2 This report outlines the Terms of Reference for the Performance, Finance and Audit Committee which were approved by the Integration Joint Board on 12 December 2017.

2. ROUTE TO THE FINANCE AND AUDIT SUB-COMMITTEE:

2.1 This paper has been:

Prepared By; Operational Manager	Reviewed By; Chief Accountable Officer	Endorsed By; Integration Joint Board
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3. RECOMMENDATIONS

3.1 The Performance, Finance and Audit Committee is asked to note the contents of the report.

4. BACKGROUND/SUMMARY OF KEY ISSUES

4.1 At the meeting of the Integration Joint Board (IJB) on 12 December 2017, it was agreed that the Performance, Scrutiny and Assurance Sub-Committee and the Finance and Audit Sub-Committee would be merged to form the Performance, Finance and Audit Committee (PFA).

4.2 The Public Bodies (Integration Joint Boards) (Scotland) Order 2014 sets out the governance arrangements for the IJB including the arrangements for the establishment of committees. In particular it notes;

- that the IJB can delegate such responsibilities to committees as it sees fit;
- that the IJB must determine who will be the chair of any committee it establishes;
- that only members of the IJB can be members of its committees;
- that any committee must include voting members and they must be drawn equally from those elected by the local authority and those elected by the Health Board;
- that any decision a committee takes relating to the carrying out of functions under the Act or integration functions must be agreed by a majority of the votes of the voting members who are part of that committee.

4.3 An updated Terms of Reference was also approved for the PFA by the IJB on 12 December 2017, a copy of which is attached at appendix 1 for information.

5. CONCLUSIONS

5.1 The PFA is asked to note the updated Terms of Reference including the revised membership and revised frequency of meetings.

6. IMPLICATIONS

6.1 NATIONAL OUTCOMES

This relates to all nine national outcomes as proper oversight and governance of the integrated arrangements is essential to ensuring that services commissioned are delivered in line with expectations.

6.2 ASSOCIATED MEASURE(S)

There will be a comprehensive performance management system and reporting arrangements developed to cover both delivery and resourcing of integrated services. The PFA and the IJB will have the opportunity to amend these as they see fit. The IJB and both partners are also required to achieve a balanced budget for 2017/2018.

6.3 FINANCIAL

This paper has been reviewed by Finance:

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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North Lanarkshire Council currently provides secretarial and administrative support to the IJB and the PFA. This will continue to form part of the provision of support services to the IJB and is resource neutral.

6.4 PEOPLE

None.

6.5 INEQUALITIES

EQIA Completed:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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6.6 CARBON MANAGEMENT IMPLICATIONS

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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7. BACKGROUND PAPERS

IJB 12 December 2017 Item 7 Terms of Reference

X. APPENDICES

Performance, Finance and Audit Committee Terms of Reference Appendix 1

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CHIEF ACCOUNTABLE OFFICER (or Depute)

Members seeking further information about any aspect of this report, please contact Christine Jack on telephone number 01698 855539.



PERFORMANCE, FINANCE AND AUDIT COMMITTEE

TERMS OF REFERENCE

NOVEMBER 2017

1. Purpose

The Performance, Finance and Audit Committee has been established by the Integration Joint Board (IJB) to:

- Take responsibility for a range of matters relating to finance, internal audit and external audit.
- Ensure financial and other controls are in place and operate effectively, including processes for audit and risk management.
- Oversee the development of the annual integrated budget and financial statement.
- Take responsibility for a range of matters relating to service provision and performance reporting.
- Ensure the delivery of the highest possible quality of service to users by monitoring performance and considering audit inspection reports.
- Oversee the development of the annual performance report.

2. Membership and Quoracy

Meetings will be held five times a year. Additional meetings may be held as necessary.

The IJB shall appoint the Committee and nominate a Chair and Vice Chair.

The Committee will comprise of 11 members as follows;

- 4 voting members appointed by the NHS Lanarkshire Health Board (NHSL).
- 4 voting members appointed by North Lanarkshire Council (NLC).
- 3 non voting members.

The quorum for meetings of the Committee is four voting members, comprising two NLC members and two NHSL members.

The Chief Accountable Officer and the Chief Financial Officer will attend. Attendance by other staff will be agreed by the Chair in advance.

3. Reporting Arrangements

The Committee will report to the IJB.

The minutes of Committee meetings will be submitted to the next appropriate meeting of the Committee for approval as a correct record and to the IJB for noting.

4. Key Responsibilities

In relation to finance matters, the Committee is authorised to:

- Provide financial governance and scrutiny of the in scope budget for the IJB.
- Review the annual budgets with recommendations to the IJB.
- Review the overall internal control arrangements of the IJB and ensure that appropriate levels of accountability, scrutiny and discussion are undertaken in the key areas of business.
- Ensure that the senior management team maintain effective controls within their services which comply with financial procedures and regulations.
- Ensure effective arrangements are in place to register all finance and audit risks as soon as possible and that the appropriate lead officer is notified to ensure compliance and mitigating actions are detailed.
- Review risk management arrangements and receive regular risk management updates and reports, as appropriate.
- Report and review the IJB's financial strategy in support of the strategic commissioning plan and recommend approval to the IJB.
- Receive reports in new and emerging national policy developments related to health and social care and consider any impact on the financial position.
- Consider the Annual Accounts and oversee the preparation of the Governance Statement before submission to and approval by the IJB.

In relation to audit matters, the Committee is authorised to:

- Approve annually the risk-based Internal Audit plan, including Internal Audit's resource requirements.
- Consider reports from Internal Audit on their activity and performance during the year including the Internal Audit annual opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control.
- Consider the external auditor's annual plan and all relevant external audit reports issued to those charged with governance.
- Consider, where appropriate, responses to internal and external audit and scrutiny reports and to monitor any subsequent recommendations and requirements emanating from these.
- Consider and review strategic financial risks pertaining to the IJB's responsibilities.

In relation to performance matters, the Committee will;

- Review service performance reporting processes
- Review quarterly performance and recommend remedial action to address concerns
- Consider response / actions in relation to any external scrutiny reports that relate to service provision.
- Oversee the implementation of any recommendations made within external scrutiny reports.
- Consider response / actions in relation to support, care & clinical governance incident reports and oversee the implementation of any actions.
- Ensure a rigorous and systematic approach to the monitoring of delivery of national and local priorities
- Ensure effective arrangements are in place to register all performance and operational risks as soon as possible and will ensure that the appropriate lead officer is notified to ensure compliance and mitigating actions are detailed.
- Review complaints and compliments on a quarterly basis
- Oversee the development of the annual performance report

Ratified by Integration Joint Board:	December 2017
Review Date:	November 2018