

REPORT

Item No: 14

SUBJECT:	Terms of Reference Update
TO:	Performance, Finance and Audit Committee
Lead Officer for Report:	Chief Officer
Author(s) of Report	Chief Financial Officer
DATE:	25 May 2021

1. PURPOSE OF REPORT

1.1 This paper is coming to the Performance, Finance and Audit (PFA) 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 details the updated terms of reference for the PFA Committee which were approved by the Integration Joint Board (IJB) on 9 December 2020 and highlighted to the PFA Committee in the action log presented on 17 February 2021.

2. ROUTE TO THE PERFORMANCE, FINANCE AND AUDIT COMMITTEE:

2.1 This paper has been:

Prepared By; Operational & Business Manager	Reviewed By; Chief Officer
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3. RECOMMENDATIONS

3.1 The PFA Committee is asked to agree the following recommendation:

(1) Note the contents of the report.

4. VARIATIONS TO DIRECTIONS

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
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5. BACKGROUND/SUMMARY OF KEY ISSUES

5.1 On 9 December 2020, the IJB approved an amendment to the terms of reference for the PFA Committee in order to reflect key role of the North Lanarkshire Council and NHS Lanarkshire staff side representatives and the Third Sector. In order to ensure their contribution is fully recognised and embedded within IJB strategic planning and performance, the stakeholder membership of the PFA Committee has therefore been increased from three to five to allow all stakeholders to participate in committee meetings.

5.2 The recommendations arising from the Internal Audit review of risk management have also been reflected within the responsibilities of PFA Committee.

6. CONCLUSIONS

6.1 The updated PFA Committee membership is attached at appendix 1 for noting.

6.2 The updated PFA Committee terms of reference are attached at appendix 2 for noting.

7. IMPLICATIONS

7.1 NATIONAL OUTCOMES

This relates to all nine national outcomes.

7.2 ASSOCIATED MEASURE(S)

None.

7.3 FINANCIAL

This paper has been reviewed by Finance:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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7.4 RISK ASSESSMENT/RISK MANAGEMENT

Any potential risks associated with ineffective governance arrangements are mitigated by the commitment to extend the membership of the PFA Committee to include key stakeholders.

7.5 PEOPLE

None.

7.6 STAKEHOLDER ENGAGEMENT

The IJB, PFA Committee and the Senior Leadership Team were previously consulted in respect of the amendment to the terms of reference of the PFA Committee which was approved by the IJB on 9 December 2020 and highlighted to the PFA Committee in the action log presented on 17 February 2021.

7.7 INEQUALITIES & FAIRER SCOTLAND DUTY

EQIA Completed & Fairer Scotland Impact Assessment Form Completed:

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

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

IJB Report – 9 December 2020

Terms of Reference and Schedule of Dates

9. APPENDIX

PFA Committee Membership
PFA Terms of Reference Updated

Appendix 1
Appendix 2

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CHIEF OFFICER (or Depute)

Members seeking further information about any aspect of this report, please contact Marie Moy on telephone number 01698 453709.

**PERFORMANCE, FINANCE AND AUDIT COMMITTEE
MEMBERSHIP**

VOTING MEMBERS

Cllr Paul Kelly (Chair)	NLC Nominated Councillor
Mr Brain Moore (Vice- Chair)	NHS Lanarkshire Nominated Non-Executive Director
Dr Avril Osborne	NHS Lanarkshire Nominated Non-Executive Director
Cllr Jim Logue	NLC Nominated Councillor
Cllr Jordan Linden	NLC Nominated Councillor
Cllr Meghan Gallacher	NLC Nominated Councillor
Mrs Margaret Morris	NHS Lanarkshire Nominated Non-Executive Director
Mr Philip Campbell	NHS Lanarkshire Nominated Non-Executive Director

NON-VOTING MEMBERS

Professional Advisors	
Mr Ross McGuffie	Chief Officer
Ms. Marie Moy	Section 95 Finance Officer, IJB
Stakeholder Members	
John Watson	Employee Representative (NLC) - Unison
Cathy McGinty	Staff Side Representative (NHSL) - Unison
Maddie Halliday	Third Sector Representative - Chief Executive, VANL
Elizabeth Seaton	User Representative - Partnership for Change
Harry Robertson	Carer Representative - North Lanarkshire Carers Together
Officers in Attendance	
Morag Dendy	Head of Planning, Performance & Assurance H&SC NL (Deputy Chief Officer)
Maggs Thomson	Head of Health Services, H&SC NL
Diane Fraser	Head of Adult Social Work Services, H&SC NL
Dr Lucy Munro	Medical Director, H&SC NL
Christine Jack	Operational & Business Manager, H&SC NL (IJB Board Secretary)
Julie Arthur	Minute Secretary

**PERFORMANCE, FINANCE AND AUDIT COMMITTEE
TERMS OF REFERENCE**

1. Purpose

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

- Oversee 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.
- Oversee 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 four times a year. Additional meetings may be held as necessary.

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

The PFA Committee will comprise of 13 members as follows:

- 4 Voting Members appointed by the NHS Lanarkshire Health Board (NHSL).
- 4 Voting Members appointed by North Lanarkshire Council (NLC).
- 5 Non- Voting Members representing stakeholders

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

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

Any updates or proposed variation to membership will first be approved by the IJB in line with the IJB Terms of Reference and Statutory Instruments.

3. Reporting Arrangements

The PFA Committee will report to the IJB.

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

4. Key Responsibilities

In relation to finance matters, the PFA 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 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 on any 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 PFA Committee is authorised to:

- On an annual basis, approve 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 annual Internal Audit 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 Audit, 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 PFA 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.
- Ensure a rigorous and systematic approach to the monitoring of delivery of national and local priorities.
- Ensure effective arrangements are in place to identify and register all performance and finance risks as soon as possible and review high rated risks at each meeting to ensure effective mitigating actions are being followed and risks regularly updated.
- Oversee the development of the annual performance report.

Ratified by Integration Joint Board:

Version 1 - December 2017

Version 2 - March 2018

Version 3 - December 2020

Review Date:

The PFA Committee Terms of Reference will be reviewed every 3 years. Any proposed amendments will be presented to the IJB for approval. The next planned review date is December 2023.