

# REFERRAL REPORT

## Board Assurance Framework – 2021/2022 Cycle – Referral from the Audit and Assurance Committee

Edinburgh Integration Joint Board

22 March 2022

### Executive Summary

The purpose of this report is to refer the attached report on the Board Assurance Framework – 2021/2022 Cycle from the Audit and Assurance Committee to the Edinburgh Integration Joint Board for approval with the Committee’s recommendation detailed below.

### Recommendations

The Audit and Assurance Committee recommends that the Edinburgh Integration Joint Board:

1. Approves the revised Board Assurance Framework and associated committee annual assurance statement for the 2021/2022 assurance cycle.

### Terms of Referral

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1. The Audit and Assurance Committee on 18 February 2022 considered a report on the Board Assurance Framework for 2021-2022 Cycle, which provided a revised Framework and associated committee annual assurance statement for the upcoming assurance cycle.
2. During consideration of the report, the Committee discussed the following:

- The improvement in the approach from last year after a review of practice across several organisations, including; The City of Edinburgh Council, NHS Lothian, National Audit Office, Deloitte and Ernst and Young.
- The plans to allow the revised Framework to run for one assurance cycle, then allow Internal Audit to undertake a reflective, evaluative exercise on the process.
- The plans to include training on the new Board Assurance Framework in induction sessions for new Committee Chairs following the local government elections in 2022.

The Committee also noted the legal/risk implications in the report; with the process designed to provide appropriate assurance to the Board, thus reducing risk.

3. The Committee agreed:
  - 3.1 To endorse the revised Board Assurance Framework and associated committee annual assurance statement for the 2021/2022 assurance cycle.
  - 3.2 To refer the revised Board Assurance Framework to the Edinburgh Integration Joint Board.
4. The Integration Joint Board is asked to consider the recommendation of the Audit and Assurance Committee.

## Report Author

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**Moira Pringle**

**Chief Finance Officer**

Contact for further information:

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## Appendices

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Appendix 1      Board Assurance Framework – 2021/2022 Cycle

# REPORT

## Board Assurance Framework – 2021/2022 cycle

Audit and Assurance Committee

18 February 2022

<b>Executive Summary</b>	This report provides a revised Board Assurance Framework and associated committee annual assurance statement, encompassing the learning and feedback from the 2020/2021 Edinburgh Integration Joint Board (EIJB) committee assurance process.
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<b>Recommendations</b>	<p>It is recommended that the Audit and Assurance Committee:</p> <ul style="list-style-type: none"> <li>a) Endorse the revised Board Assurance Framework and associated committee annual assurance statement for the 2021/2022 assurance cycle; and</li> <li>b) Refer the revised Board Assurance Framework to the Edinburgh Integration Joint Board.</li> </ul>
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### Directions

Direction to City of Edinburgh Council, NHS Lothian or both organisations	No direction required	✓
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council & NHS Lothian	

### Report Circulation

- This report has not been considered elsewhere.



## Main Report

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2. The Edinburgh Integration Joint Board (EIJB) agreed its [Board Assurance Framework](#) in December 2019 and requested all EIJB committees submit an annual assurance statement covering the remit of the committees during 2020/21, it should support the assurance the committees are providing to the EIJB and identify any significant issues. The committee annual assurance statements were submitted to Audit and Assurance Committee for scrutiny on 20 August 2021. It was recognised that all committees approached the completion of their committee annual assurance statements in slightly different ways. Therefore, the process for the 2021/22 cycle was to be reconsidered and where possible consider best practice from other organisations.
3. A review has now been undertaken, looking at committee effectiveness processes across several organisations including City of Edinburgh Council, NHS Lothian and externally including the National Audit Office, Deloitte and Ernst and Young. Attached at Appendix 1 is a proposed committee annual assurance statement for completion by committees.
4. The main changes are the inclusion of several revised questions across a wider remit based around:
  - Membership, independence, objectivity and understanding
  - Skills
  - Role and scope of the Committee
  - Support and resources
  - Communicating and reporting
5. The headings and associated questions are based on the core good practice principles from the HM Treasury's Audit and Risk Assurance Committee Handbook (where applicable) and are also included in committee effectiveness checklists used by organisations referenced in paragraph 3. Only those questions which are applicable to all committees have been used to ensure consistency.
6. Alongside, more in-depth questions covering a wider remit, it is proposed each template is populated with the terms of reference for each committee and the relevant work outputs prior to circulation to committee chairs. This ensures that there is a consistent approach taken to complete the committee annual assurance schedule. The Operations Manager will also meet with the Committee Chairs individually / provide training to ensure there is clarity about the process.
7. Committee chairs will circulate the template to committee members for completion with returns submitted back to the relevant Executive Support Lead for collation. The first iteration will be submitted to the committees for discussion and amendment/agreement. Finalised submissions from

Committees should be submitted to Angela Ritchie (angela.ritchie@edinburgh.gov.uk) and will be presented to the September 2022 Audit and Assurance Committee and onto the Edinburgh Integration Joint Board. A submission timeline is attached at appendix 2 of this report.

## Implications for Edinburgh Integration Joint Board

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### Financial

8. There are no specific implications arising from this report.

### Legal/risk implications

9. The process agreed by the EIJB is designed to provide appropriate assurance to the board, thus reducing risk.

### Equality and integrated impact assessment

10. There are no specific implications arising from this report.

### Environment and sustainability impacts

11. There are no specific implications arising from this report.

### Quality of care

12. There are no specific implications arising from this report.

## Consultation

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13. There are no specific implications arising from this report.

## Report Author

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### Moira Pringle

### Chief Finance Officer, Edinburgh Integration Joint Board

Contact for further information:

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## Appendices

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Appendix 1	Committee Annual Assurance Statement 2021/2022
Appendix 2	Committee Annual Assurance Statement submission timeline

## Committee Annual Assurance Statement 2021/2022

### Appendix 1 –Committee Annual Assurance Statement

<b>NAME OF COMMITTEE:</b>	
<b>NAME OF COMMITTEE MEMBER:</b>	
<b>DATE OF RESPONSE:</b>	

#### Instructions

#### **Section 1 & 2**

On the following pages you will find a number of statements in relation to the \_\_\_\_\_Committee. Those statements relate to the following topics:

1. Membership, independence, objectivity and understanding
2. Skills
3. Role and Scope of the Committee
4. Support and Resources
5. Communicating and Reporting

Please consider each statement and indicate if you think the committee meets the detailed good practice question – “yes” “no” “N/A” and provide any relevant comment for those areas especially if the response is no.

There is also an opportunity for committee members to identify areas of good practice or note issues and actions identified at the end of each section and the ability to add additional commentary.

#### **Section 3**

This section asks members to consider what outputs presented to Committee (over the course of the year) and provide assurance that the Committee is sufficiently covering their remit. Committee members are also asked to specify a level of assurance based on the quantity and quality of outputs.

## Committee Annual Assurance Statement 2021/2022

### Section 1 – Self Assurance Checklist

#### A. Membership, Independence, Objectivity and Understanding

Each Committee member should be independent and objective and should have a good understanding of the objectives and priorities of the EIJB and of their role as a Committee member.

Statements		Yes	No	N/A	Comments
A.1	There are a sufficient number of voting and non-voting members (as specified in the committee terms of reference).				
A.2	There is adequate attendance at committee by members and other participants.				
A.3	There is effective scrutiny and challenge from all committee members.				
A.4	All members of the Committee contribute to its deliberations on an informed basis.				
A.5	Committee members should declare any potential conflicts of interest with any of the business items on the committee agenda at the start of the committee.				
A.6	In instances where there is a declaration of interest in any of the agenda business items, appropriate actions are taken, e.g. is the member asked to leave the meeting while the business item is being discussed.				
A.7	All committee members have a clear understanding of what is expected of them in their role including: <ul style="list-style-type: none"> <li>• Their appointment and purpose, including duration of appointment and how often it will be renewed</li> <li>• The support and training they will receive</li> </ul>				

**Committee Annual Assurance Statement 2021/2022**

	<ul style="list-style-type: none"> <li>• The commitment required</li> <li>• Conflict of interest procedures</li> <li>• Expected conduct</li> </ul>				
A.8	Where applicable, the transition to a new committee chair was handled efficiently and effectively.				
A.9	There is a clear succession plan in place for future membership of committees, allowing adequate time to consider appropriate replacements.				
<b>Comments</b>					
Is the committee performing effectively in this area?					
Are there any actions the committee want to take to build its effectiveness?					

## Committee Annual Assurance Statement 2021/2022

<b>B. Skills</b>				
Committee members should have an appropriate mix of skills to allow it to carry out its overall function.				
Statements	Yes	No	N/A	Comments
B.1	The membership of the committee has the correct blend of skills, knowledge and experience.			
B.2	The chair of each committee demonstrates good knowledge of the Edinburgh Integration Joint Board (EIJB) and has good knowledge and professional scepticism, and able to constructively challenge management teams.			
B.3	Ongoing training requirements of committee members are agreed at the start of each year with each committee member (according to their specific training needs).			
B.4	Committee members are offered appropriate development opportunities to support them in undertaking their role.			
B.5	The committee can make recommendations to the EIJB on the committee and individual members training needs.			
B.6	All new members of the committee attend an induction session.			
B.7	An induction checklist is in place for new members detailing the key things that they must do.			
B.8	The Committee feel empowered to: <ul style="list-style-type: none"> <li>• Co-opt members for a period of less than one year to provide specialist skills that the members do not have to be an effective committee</li> <li>• Procure specialist advice at reasonable approved expense to the organisation on an ad-hoc basis to support them in relation to pieces of committee business</li> </ul>			

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<b>Comments</b>	
Is the committee performing effectively in this area?	
Are there any actions the committee want to take to build its effectiveness?	

## Committee Annual Assurance Statement 2021/2022

### C. Role and Scope of the Committee

Committees should support the EIJB by reviewing the comprehensiveness and reliability of assurances across a range of areas, including risk, safe delivery of health and care services, governance, internal audit, performance and strategic delivery.

The scope of the committee should be defined in its terms of reference and should encompass all the assurance needs of the EIJB.

Statements		Yes	No	N/A	Comments
C.1	The committee terms of reference are reviewed at least annually.				
C.2	The number and scheduling of committee meetings in each year is appropriate.				
C.3	The length of committee meetings is appropriate, all key agenda items are well considered, and committee members can raise any queries or areas for discussion.				
C.4	The committee agenda is well managed and all topics within the remit are considered.				
C.5	There is a clear plan for the year to ensure that all matters within the remit of the committee (both core activities and specific items on a cyclical basis) are covered over the year.				

### Comments

Is the committee performing effectively in this area?	
Are there any actions the committee want to take to build its effectiveness?	

## Committee Annual Assurance Statement 2021/2022

### D. Support and Resources

Committees should be provided with appropriate support to enable it to be effective. This is more than a minute-taking function – it involves providing proactive support for the work of the committee and helping its members to be effective in their role.

Statements		Yes	No	N/A	Comments
D.1	Committee is provided with sufficient resources to fulfil its duties.				
D.2	The support provided to the committee by executives and senior management is appropriate.				
D.3	Meeting documents are circulated to all committee members one week before committee.				
D.4	Meeting action notes / minutes are circulated within 10 days of the committee meeting.				
D.5	Papers presented to the committee are of a high standard and ensures that committee members have access to appropriate information.				
D.6	The committee receives adequate information in relation to national policy/direction/technical developments to enable it to fulfil its role and responsibilities.				
D.7	A record of when members' terms of appointments are due for renewal or termination is held.				
<b>Comments</b>					
Is the committee performing effectively in this area?					
Are there any actions the committee want to take to build its effectiveness?					

**Committee Annual Assurance Statement 2021/2022**

<b>E. Communicating and Reporting</b>					
Committees should ensure it has effective communication with all key stakeholders.					
<b>Statements</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
E.1	The committee sends regular reports or provides verbal updates to the Edinburgh Integration Joint Board (EIJB).				
E.2	The committee provides an annual assurance statement to the EIJB timed to support the preparation of the annual accounts.				
E.3	The minutes of committee meetings are circulated to all EIJB members, unless, it would be inappropriate to do so.				
E.4	The processes of interaction between each committee and the EIJB, are reviewed regularly.				
E.5	The committee has formally considered how it integrates with other committees and groups.				
E.6	The committee keeps abreast of best practice and developments in key areas noted within the terms of reference.				
<b>Comments</b>					
Is the committee performing effectively in this area?					
Are there any actions the committee want to take to build its effectiveness?					

**Committee Annual Assurance Statement 2021/2022**

<b>Section 2 – General Comments</b>	
<b>Is there anything which prevents the committee from being as effective as they would like to be? If so, please expand.</b>	
<b>Are there any issues of concern you would wish raised at the EIJB? If so, please expand.</b>	
<b>What (if any) changes are you making based on your experience within the committee?</b>	
<b>Are there any other issues you wish to raise?</b>	

**Committee Annual Assurance Statement 2021/2022**

<b>Section 3 – Committee Assurance</b>		
<b>Assurance Need from Terms of Reference</b>	<b>Evidence / outputs to support assurance statement</b>	<b>Level of Assurance</b>
<b>&lt;&lt;This section will be pre-populated with the key outputs from the Terms of Reference&gt;&gt;</b>	<b>Provide evidence to demonstrate we have fulfilled the outputs specified in the terms of reference</b>	<b>This section should specify the assurance level noted below.</b>

<b>Assurance Levels</b>					
	<b>Significant</b>	<b>Moderate</b>	<b>Limited</b>	<b>None</b>	<b>Not yet assessed</b>
<b>Definition</b>	<p>The IJB (or committee) can take reasonable assurance that the system of control achieves, or will achieve, the purpose that it is designed to deliver. There may be an insignificant amount of residual risk or none. Examples of when significant assurance can be taken are:</p> <ul style="list-style-type: none"> <li>• The purpose is quite narrowly defined, and it is relatively easy to be comprehensively assured.</li> <li>• There is little evidence of system failure and the system appears to be robust and sustainable.</li> <li>• The IJB/committee is provided with evidence from several different sources to support its conclusion</li> </ul>	<p>The IJB/committee can take reasonable assurance that controls upon which the organisation relies to manage the risk(s) are in the main suitably designed and effectively applied. There remains a moderate amount of residual risk. Moderate assurance can be taken where:</p> <ul style="list-style-type: none"> <li>• In most respects the “purpose” is being achieved.</li> <li>• There are some areas where further action is required, and the residual risk is greater than “insignificant”.</li> <li>• The report includes a proposed remedial action plan; the committee considers it to be credible and acceptable.</li> </ul>	<p>The IJB/committee can take some assurance from the systems of control in place to manage the risk(s), but there remains a significant amount of residual risk which requires action to be taken. Examples of when limited assurance can be taken are where:</p> <ul style="list-style-type: none"> <li>• There are known material weaknesses in key areas.</li> <li>• It is known that there will have to be changes to the system (e.g. due to a change in the law) and the impact has not been assessed and planned for.</li> <li>• The report has provided incomplete information, and not covered the whole purpose of the report.</li> <li>• The proposed action plan to address areas of identified residual risk is</li> </ul>	<p>The IJB/committee cannot take any assurance from the information that has been provided. There remains a significant amount of residual risk.</p>	<p>The IJB/committee will ask the Chief Officer/executive lead to provide a further paper at its next meeting and will monitor the situation until it is satisfied that the level of assurance has been improved. Additionally, the chair of the meeting will notify the Chair of the issue.</p>

### Committee Annual Assurance Statement 2021/2022

<b>Most likely course of action by the IJB or committee</b>	If there are no issues at all, the IJB or committee may not require a further report until the next scheduled periodic review of the subject, or if circumstances materially change. In the event of there being any residual actions to address, the IJB or committee may ask for assurance that they have been completed later agreed with the Chief Officer or relevant executive lead, or it may not require that assurance.	The IJB/committee will ask the Chief Officer/executive lead to provide assurance at an agreed later date that the remedial actions have been completed. The timescale for this assurance will depend on the level of residual risk. If the actions arise from a review conducted by an independent source (e.g. internal audit, or an external regulator), the IJB/committee may prefer to take assurance from that source's follow-up process, rather than require the Chief Officer/executive lead to produce an additional report.	not comprehensive or credible or deliverable  The IJB/committee will ask the Chief Officer/executive lead to provide a further paper at its next meeting and will monitor the situation until it is satisfied that the level of assurance has been improved.	The IJB/committee will ask the Chief Officer/executive lead to provide a further paper at its next meeting and will monitor the situation until it is satisfied that the level of assurance has been improved. Additionally, the chair of the meeting will notify the Chair of the issue.	
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When complete, please email the form to XX by 04 July 2022

The results will be reviewed and aggregated and used to inform the content of the committee's annual report. Any identified areas for development or improvement shall be translated into an action plan which will be reviewed and monitored by the committee.

If you have any queries on the completion of the form, please contact Angela Ritchie on 0131 529 4050 / [angela.ritchie@edinburgh.gov.uk](mailto:angela.ritchie@edinburgh.gov.uk)

## Committee Annual Assurance Statement 2021/2022

