



## Midlothian Integration Joint Board Audit and Risk Committee

Date	Time	Venue
Thursday 14 <sup>th</sup> December 2017	2.00pm	Committee Room, Midlothian House, Buccleuch Street, Dalkeith EH22 1DN.

### Present:

Cllr Jim Muirhead (Chair)	John Oates
Cllr Pauline Winchester	Jane Cuthbert (Independent Member)

### Present (non-voting):

Allister Short (Chief Officer)	David King (Chief Finance Officer)
Jill Stacey (Chief Internal Auditor)	

### In attendance:

Elaine Greaves (Internal Audit Manager)	Mike Broadway (Clerk)

### Apologies:

Alex Joyce	Keith Macpherson (EY, External Auditors)
Chris Lawson (Risk Manager)	

# Midlothian Integration Joint Board

## Audit and Risk Committee

Thursday 14<sup>th</sup> December 2017

### 1. Welcome and introductions

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The Chair, Jim Muirhead, welcomed everyone to this Meeting of the Midlothian Integration Joint Board Audit and Risk Committee, in particular Jill Stacey, following which there was a round of introductions.

### 2. Order of Business

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The order of business was confirmed as outlined in the agenda that had been previously circulated.

### 3. Declarations of interests

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No declarations of interest were intimated.

### 4. Minutes of Meeting

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The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 5th October 2017 were submitted and approved.

With regards paragraph 5.5 - Integration Joint Board Audit & Risk Chairs meeting - Update – the Chief Finance Officer clarified that the proposed follow-up workshop had been for Chief Internal Auditors and that feedback from it would be provided later in the meeting - Agenda Item No 5.5 below refers.

### 5. Reports

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Report No.	Report Title	Presented by:
5.1	Outcome of Service Review of Midlothian Council's Internal Audit and Corporate Fraud Section – Change of MIJB Chief Internal Auditor	David King/Jill Stacey

#### Executive Summary of Report

The Committee received an update from David King regarding the outcome of the recent service review of Midlothian Council's Internal Audit Service. A 12 month pilot arrangement over the sharing of a Chief Auditor/Audit Manager Post between Midlothian and Scottish Borders Councils had been agreed. This could offer longer term benefits of the combined skills and capabilities offered by a joint working arrangement and a reshaped Internal Audit service to further support challenge and scrutiny and the drive for improvement across both Councils. As part of the shared arrangements, responsibility as the Chief Internal Auditor for the MIJB would also switch to the new Chief Auditor/Audit Manager.

Jill Stacey who had taken on the role, briefly outlined her own background, spoke about her involvement with Scottish Borders IJB and expanded on the shared service role.

# Midlothian Integration Joint Board

## Audit and Risk Committee

Thursday 14<sup>th</sup> December 2017

### Decision

After discussion, the Audit and Risk Committee

- noted the outcome of the Internal Audit service review and the move towards a 12 month pilot shared service between Midlothian and Scottish Borders Councils; and
- agreed to endorse the appointment of Jill Stacey as Chief Internal Auditor and recommend accordingly to the MIJB.

### Action

Chief Finance Officer/Clerk

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Report No.	Report Title	Presented by:
5.2	Risk Management and Risk Appetite	David King

### Executive Summary of Report

The purpose of this report was to lay out for the Committee's consideration the approach they would wish to take on the recognition of risks to support the successful operation of the MIJB.

The report advised that over the last year there has been a considerable amount of discussion with NHS Lothian and Midlothian Council about which risks should be recognised in which register and what assurance the MIJB would require over the risk management processes of the partners.

This paper was therefore a reflection on the strategy that the MIJB had adopted around the risks it had recognised and what assurance it would seek elsewhere.

In summary, the MIJB's risk register (and risk management process) recognised the risk to the MIJB's own business – that was the preparation and delivery of the Strategic Plan. The MIJB's risk register did not consider 'operational' risks, being the risks managed by the partners unless these risks were so significant that they would impact on the MIJB's Strategic Plan. That said, it should be remembered that MIJB was not in a position to manage such operational risks and would, in any event, depend on the management actions of the partners.

### Summary of discussion

The Committee, having heard from the Chief Finance Officer who responded to Members' questions and comments, discussed the proposed approach to risk management to be adopted by the MIJB.

# Midlothian Integration Joint Board

## Audit and Risk Committee

Thursday 14<sup>th</sup> December 2017

### Decision

**The Audit and Risk Committee, after further discussion, agreed:-**

- to adopt the approach to Risk outlined in the report;
- that a report be prepared for the MIJB; and
- that the existing Risk Register be reviewed accordingly.

### Action

Chief Finance Officer/Risk Manager/Chief Internal Auditor/Clerk

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Report No.	Report Title	Presented by:
5.3	Risk Register - Update	David King

### Executive Summary of Report

The purpose of this report was to provide the Audit & Risk Committee with an update on the MIJB Risk Register and the actions being taken to identify and manage risk in order to ensure the successful delivery of the MIJB's key objectives, as detailed in the Strategic Plan. The report also provided the Committee with an overview of the MIJB's operating context taking account of current issues, future risks and opportunities.

### Summary of discussion

Having heard from the Chief Finance Officer who responded to Members' questions, the Committee discussed the Risk Register. In response to the earlier decision to focus the MIJB's Risk Register primarily on non-operational matters Members' took the opportunity to review, and comment on, the contents of the current Register. It was also felt that it would be useful going forward if there could be consistence in the use of names and/or job titles, with the preference being for job titles. The addition of a key to explain what the evaluation symbols used in the Risk Register meant, was warmly welcome.

### Decision

**The Audit and Risk Committee, after further discussion, noted:-**

- the current Risk Register;
- that further work would be done on the MIJB Risk Register in light of the discussions at today's meeting; and
- that in the future job titles would be used in the Risk Register.

# Midlothian Integration Joint Board

## Audit and Risk Committee

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### Action

Chief Finance Officer/Risk Manager

Report No.	Report Title	Presented by:
5.4	Internal Audit Recommendations – Progress Report	Elaine Greaves

### Executive Summary of Report

The purpose of this report was to:

- inform the Audit and Risk Committee of the number of recommendations raised by Midlothian Council's Internal Audit Service;
- note the IJB's reported performance in addressing these issues by the agreed implementation; and
- highlight the main governance and financial risks where recommendations were found to be outstanding.

The report advised that of the 53 recommendations raised since the inception of the MIJB, 41 (77%) were recorded as complete, 7 (13%) had not yet reached their due date, and 5 (10%) were identified as being overdue. After reviewing all the recommendations, management have established revised target dates for the 5 overdue recommendations and 2 of the 'in progress' recommendations.

### Decision

**The Audit and Risk Committee, having hear from the Internal Audit Manager , agreed to**

- **note the content of this report;**
- **approve the revised implementation dates; and**
- **note that Internal Audit would continue to monitor for completion of the outstanding recommendations and would provide updates to the Audit and Risk Committee.**

### Action

Chief Finance Officer/Chief Internal Auditor

Report No.	Report Title	Presented by:
5.5	Integration Joint Board Audit & Risk Chairs meeting - Update	Elaine Greaves

# Midlothian Integration Joint Board

## Audit and Risk Committee

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### Executive Summary of Report

With reference to paragraph 5.5 of the minutes of 5<sup>th</sup> October 2017, the Committee received an update from Elaine Greaves on the follow up workshop to the October Integration Joint Board Audit & Risk Chairs' meeting. The key focus of the workshop had been the set of previously agreed principles which had been established to underpin the working arrangements between the various Audit and Risk Committees. It had also looked at the issue of resources and 'who did what for whom'.

### Decision

#### The Audit and Risk Committee:-

- **noted the update**
- **welcomed the opportunities presented by closer joint working; and**
- **thanked Elaine for attending the meeting on behalf of the MIJB Audit and Risk Committee.**

### Action

Chief Finance Officer

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Report No.	Report Title	Presented by:
5.6	Other Reports of interest.	David King

### Executive Summary of Report

This paper brought to the Committee's attention, reports from the partners' internal auditors, from Audit Scotland and from the Scottish Government, that were of interest to the MIJB, viz:

- Audit Scotland – NHS in Scotland 2016/17
- Audit Scotland – Review of Councils 2016/17
- Professor Sir Harry Burns – Targets and Indicators in Health and Social Care in Scotland - A Review
- Health and Sports Committee – Looking ahead to the Scottish Government Health and Sport draft budgets 2018/19
- Midlothian Council Internal Audit – Monitoring of External Care Homes

Copies of the respective Audit reports were appended to the main report.

### Summary of discussion

The Chief Finance Officer in presenting the report to the Committee highlighted some of the key issues arising from the various/audit reports. He and the Chief Officer then responded to Members' questions/comments.

# Midlothian Integration Joint Board

## Audit and Risk Committee

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### Decision

After further discussion the Audit and Risk Committee agreed to

- Note the contents of this report
- Note that further reports arising from issues raised in the various audit reports referred to in this report would be brought forward to either the MIJB or the Audit and Risk Committee in due course.

### Action

Chief Finance Officer

### 6. Private Reports

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No private reports were submitted to this meeting.

### 7. Any other business

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No additional business had been notified to the Chair in advance.

### 8. Date of next meeting

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The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 22<sup>nd</sup> March 2018 at 2.00pm

The meeting terminated at 3.12 pm.