



Midlothian Integration Joint Board Audit and Risk Committee

Date	Time	Venue
Thursday 9 th March 2017	2.00pm	Committee Room, Midlothian House, Buccleuch Street, Dalkeith EH22 1DN.

Present:

Cllr Derek Milligan (Chair)	John Oates
Jane Cuthbert (Independent Member)	

Present (non-voting):

Eibhlin McHugh (Chief Officer)	David King (Chief Finance Officer)
Graham Herbert (Chief Internal Auditor)	Elaine Greaves (Chief Internal Auditor)

In attendance:

Stephen Reid (Ernst & Young LLP, External Auditors)	John Boyd (Ernst & Young LLP, External Auditors)
Chris Lawson (Risk Manager, Midlothian Council)	Mike Broadway (Clerk)

Apologies:

Cllr Bob Constable	Peter Johnston

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1. Welcome and introductions

The Chair, Derek Milligan, welcomed everyone to this Meeting of the Midlothian Integration Joint Board Audit and Risk Committee, in particular Stephen Reid and John Boyd from External Auditors, Ernst & Young LLP.

2. Order of Business

The Chair advised the meeting that an additional item of business – an update on the Integration Joint Boards Audit & Risk Chairs meeting with NHSiL - would be considered as Agenda Item 5.6

3. Declarations of interests

No declarations of interest were intimated.

4. Note of Meeting

The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 15th December 2016 was submitted and approved.

5. Reports

Report No.	Report Title	Presented by:
5.1	IJB Annual Internal Audit Plan	Graham Herbert

Executive Summary of Report

The purpose of the report was to present for the Committee approval the Draft Internal Audit Plan for 2017/18; a copy of which was appended to the report.

The report advised that with the current resource, the Chief Internal Auditor was unable to review the entire Audit Universe on a three year cycle and would have to concentrate this resource on the high risk areas.

In addition, the Internal Audit Section of Midlothian Council was currently undergoing a Service review. Any implications that this might have on available resource to deliver against the 2017/18 plan would be brought to the attention of the Audit and Risk Committee in due course.

Summary of discussion

Having heard from the Chief Internal Auditor, the Committee discussed the importance of the work being undertaken by Internal Audit and emphasised the need to ensure that there was no diminution in the level of service provided to the IJB. It being felt that this should be added to the Risk Register and that a further report should be brought back to the Committee once the service review was completed.

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Decision

- To approve the Internal Audit Plan for 2017/18;
- To note that with the current resource the Chief Internal Auditor was unable to review the entire Audit Universe on a three year cycle and would therefore concentrate resource on the higher risk areas;
- To update the risk register accordingly, and
- To receive a further report on the outcome and likely effects of the currently undergoing Service review of the Internal Audit Section of Midlothian Council once it was completed.

Action

Chief Internal Auditor/Risk Manager

Reports No.	Report Titles	Presented by:
5.2	Midlothian Integration Joint Board External Annual Audit Plan	Ernst & Young LLP, External Auditors

Executive Summary of Report and Summary of discussion

There was submitted the Midlothian Integration Joint Board Annual External Audit Plan for the financial year ending 31 March 2017. Stephen Reid, External Auditor in presenting the Plan to the Committee explained that it covered the audit approach to the financial statements and the wider responsibilities under the Audit Scotland code which included a review of governance and performance. In addition, the report outlined the key areas and challenges in the current year including the financial pressures and the identification of significant audit risks. Also included within the report was a timetable on the key phases of the audit for 2016/17. Thereafter he responded to questions raised by members of the Committee.

Decision

To note the Report.

Action

EY, External Auditors

Report No.	Report Title	Presented by:
5.3	Risk Management	Chris Lawson

Executive Summary of Report

The purpose of this report was to present the 2016/17 quarter 3 reports to the Audit and Risk Committee providing strategic risk management updates for the period 1 October to 31 December 2016.

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The report reminded Members that the purpose of the risk register was to capture and maintain information on all the identified threats and opportunities relating to the IJB. The risk register provided a snapshot of the identified risks for the organisational activity, the priority of each risk, the “owner” for each, the internal controls currently in place and where required further action(s) being taken to manage the risks.

Summary of discussion

The Committee, having heard from the Risk Manager, discussed the Risk Register; a copy of which was appended to the report, how it had been prepared and how it was maintained and kept up-to-date. It was felt that the inclusion of a key to explain the symbols and notations used in the register, and making the difference between a risk and an opportunity clearer, would be useful additions. With regards the contents of the register it was felt they were a good reflection of the risks/opportunities currently facing the IJB, although there was some discussion about the means by which they were best met.

Decision

- **To confirm that the risks contained in the report reflected the current risks/opportunities facing the IJB;**
- **To include a key to explain the symbols and notations used in the register, and to make the difference between a risk and an opportunity clearer;**
- **To agree that there were no specific issues that required to be drawn to the IJB’s attention; and**
- **To, otherwise, note the report.**

Action

Risk Manager

Report No.	Report Title	Presented by:
5.4	Internal Audit Recommendations	Graham Herbert

Executive Summary of Report

The purpose of this report was to:

- inform the Audit and Risk Committee of the number of audit recommendations reported as complete; and
- for a sample of recommendations that it has made during the year, report on the adequacy of actions taken by management to complete the recommendations.

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The report highlighted that from a sample of 10 issues selected all but one were found to have been acted upon. A number of the risks identified in these recommendations were however continuing and therefore management needed to review these areas regularly. For the one issue that was not completed, Management had indicated that although the Strategic Plan had been developed using two localities, it was not practical, given the size of Midlothian, to split resource by locality and Management's view, reflected in the IJB Strategic Plan, was that it was more meaningful and productive to focus the energies of the Partnership on developing stronger interagency working at the level of natural communities in Midlothian.

Summary of discussion

Having heard from the Chief Internal Auditor, the Committee discussed the issue of showing resources by locality and expressed full support for the position taken in focusing on developing stronger interagency working at the level of natural communities in Midlothian.

Decision

- **To note the report; and**
- **To note that the current strategic plan did not show resource by locality as recommended within the Scottish Government publication (Localities Guidance).**

Action

Chief Internal Auditor

Report No.	Report Title	Presented by:
5.5	Audit and Risk Committee meeting schedule 2017/18	David King

Executive Summary of Report

The Committee received a report setting out the proposed meeting schedule for the remainder of the current financial year, viz:-

Thursday 8th June 2017;
 Thursday 7th September 2017;
 Thursday 14th December 2017; and
 Thursday 22nd March 2018.

Further dates could be added to this schedule should the need arise. The schedule had been approved by the Integration Joint Board at its meeting on 9 February 2017; paragraph 5.9 refers.

Summary of discussion

The Committee, having heard from the Chief Finance Officer, welcomed the advice that plans were in place to offer training/briefings for all those who would be serving on the MIJB and the MIJB Audit and Risk Committee following the Local Government elections in May.

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Decision

- **Noted that plans were in place to offer training/briefings for all those who would be serving on the MIJB and the MIJB Audit and Risk Committee following the Local Government elections in May.;**
- **Noted and Approved for its interest the schedule of meeting dates for the remainder of the current financial year, viz:-**

**Thursday 8th June 2017;
Thursday 7th September 2017;
Thursday 14th December 2017; and
Thursday 22nd March 2018.**

Action

All Audit and Risk Committee Members to note.

Report No.	Report Title	Presented by:
5.6	Integration Joint Board Audit & Risk Chairs meeting with NHSIL - Update	Jane Crawford

Executive Summary of Report

The Committee received an update from Independent Member, Jane Crawford on the Integration Joint Board Audit & Risk Chairs meeting with NHSIL.

Decision

- **To note the update and thank Jane for attending the meeting on behalf of the Audit and Risk Committee.**

6. Private Reports

No private reports were submitted to this meeting.

7. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee will be held on Thursday 8th June 2017 at 2.00pm

8. Valediction

The Committee joined the Chair in thanking the Internal Audit Manager, Graham Herbert, for all his hard work in supporting the MIJB Audit and Risk Committee, and wishing him well in his retirement.

The meeting terminated at 2.53 pm.