

Minute of Meeting



Midlothian Integration Joint Board Audit and Risk Committee

Date	Time	Venue
Thursday 5 September 2019	2.00pm	Committee Room, Midlothian House, Buccleuch Street, Dalkeith EH22 1DN.

Present (voting members):

Cllr Jim Muirhead (Chair)	Alex Joyce
Jane Cuthbert (Independent Member)	

Present (non voting members):

Allister Short (Chief Officer)	Claire Flanagan (Chief Finance Officer)
Jill Stacey (Chief Internal Auditor)	

In attendance:

Stephen Reid (EY, External Auditor)	Morag Barrow (Head of Primary Care and Older Peoples Services)
Mairi Simpson (Integration Manager)	Mike Broadway (Clerk)

Apologies:

Councillor Pauline Winchester	Angus McCann
Chris Lawson (Risk Manager, Midlothian Council)	

Midlothian Integration Joint Board

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1. Welcome and introductions

The Chair, Councillor Jim Muirhead welcomed everyone to the meeting of the Midlothian Integration Joint Board Audit and Risk Committee, following which there was a round of introductions.

2. Order of Business

The order of business was as set out in the Agenda.

3. Declarations of interest

No declarations of interest were received.

4. Note of Meeting

The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 6th June 2019 was submitted and approved as a correct record.

5. Public Reports

Report No.	Report Title	Presented by:
5.1	Annual Audit Report to Members and the Controller of Audit - year ended 31 March 2019 – Report by EY, External Auditors	Stephen Reid
Executive Summary of Report		
<p>The purpose of this report was to present the external Annual Audit report to the IJB and the controller of Audit for the year ending 31 March 2019.</p> <p>In accordance with the Local Government (Scotland) Act 1973, the Accounts Commission appointed EY as the external auditor of Midlothian Integration Joint Board (IJB) for the five year period 2016/17 to 2020/21. This Annual Audit Report was designed to summarise the key findings and conclusions from the audit work. It was addressed to both members of the IJB and the Controller of Audit, and presented to both IJB management and those charged with governance. After consideration by the IJB, this report would be provided to Audit Scotland and published on their website.</p>		
Summary of discussion		
<p>Stephen Reid, EY, External Auditors provided the Committee with an outline of the report highlighting the key messages detailed within the Executive summary which included Financial Management, Financial Sustainability, Governance and Transparency and Value for money. An Action Plan summarises specific recommendations included within the Annual Audit Report was set out in Appendix D.</p> <p>The Committee, having hear from Mr Reid, who responded to Members questions and comments, discussed the need for greater visibility of some of the work which was being undertaken in order to provide the kind of reassurance that the External Auditors were looking for.</p>		

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Decision
After further discussion, the Audit and Risk Committee noted the external auditors report on the MIJB's annual accounts and the recommendations within the action plan detailed in the Appendix to the report.
Action
Chief Officer

Report No.	Report Title	Presented by:
5.2	2018/19 Audited Annual Accounts – Report by Chief Finance Officer	Clare Flanagan

Executive Summary of Report
<p>The purpose of this report was to present for the Committee's consideration and approval the Annual Accounts 2018/19 which have been reviewed by the IJB's Independent Auditors.</p> <p>The report explained that as a statutory body, the IJB was required to produce a set of annual accounts at the end of its financial year (31 March). These accounts are then reviewed by the IJB's external auditors who would report their opinions on the Annual Accounts to the IJB Audit and Risk Committee. This report having been agreed by the committee and no outstanding issues the Committee would recommend the annual accounts to the IJB.</p> <p>The accounts will then be signed by the Chair of the IJB, the Chief Officer of the IJB and the Chief Finance Officer of the IJB as appropriate.</p>

Summary of discussion
<p>Clare Flanagan, Chief Finance Officer in presenting the Annual Accounts explained that the MIJB as a body governed by the Local Government Scotland Act (1973), appropriate regulations and subsequent Acts, must prepare a set of annual accounts that must fulfil the requirements of the Act and the regulations and must give a true and fair view of the IJB's financial position. The accounts must then be audited by the MIJB's Independent External Auditors – Ernst & Young. If there are no issues arising from the Auditors' report then the Committee can recommend acceptance and authorisation of the Annual Accounts to the MIJB.</p>

Decision
The Audit and Risk Committee, having noted the external auditors report on the MIJB's Annual Accounts, agreed to recommended the 2018/19 Annual Accounts to the Midlothian Integration Joint Board.
Action
Chief Finance Officer

Report No.	Report Title	Presented by:
5.3	Risk Register – Report by Risk Manager	Mairi Simpson

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Executive Summary of Report	
<p>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.</p>	
Summary of discussion	
<p>Mairi Simpson, Integration Manager in presenting the report to the Committee highlighted the most significant issues and risks on the MIJB strategic risk profile.</p> <p>Chief Officer, Allister Short added that a further issue that Members should be aware of was the decision by the Director-General Health and Social Care and Chief Executive of NHS Scotland ('the DG'), on the advice of the Health and Social Care Management Board, to place NHS Lothian at level 3 of the NHS Board Performance Escalation Framework. Whilst some of the areas noted for improvement were outwith the scope of the Midlothian IJB, the Board did still have a key role to play in ensuring that performance issues relating to delayed discharge and unscheduled care were addressed. He confirmed that this would be picked up in the next Risk Register and in regular updates to the MIJB.</p>	
Decision	
<p>The Audit and Risk Committee, after further discussion:-</p> <ul style="list-style-type: none"> • noted the current Risk Register; • noted the placing of the NHS Lothian at level 3 of the NHS Board Performance Escalation Framework; would be picked up in the next Risk Register and in regular updates to the MIJB • noted the updates provided on the risk control measures and the progress being made to address all risks; and • confirmed that, otherwise, the risks contained in the Risk Register reflected the current risks/opportunities facing the MIJB. 	
Action	
Risk Manager	

Report No.	Report Title	Presented by:
5.4	MIJB Recommendations Internal Audit Follow-Up Review Completed Actions – Report by Chief Internal Auditor	Jill Stacey
Executive Summary of Report		
<p>The purpose of this report was to provide information on Internal Audit actions flagged as completed and confirm the adequacy of the new internal controls, risk management and governance arrangements of the Midlothian Health and Social Care Integration Joint Board (MIJB).</p>		

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Summary of discussion
Chief Internal Auditor, Jill Stacey provided the Committee with a brief update on the recommendations completed by MIJB Management which were tested by Internal Audit as part of the follow-up process. After responding to questions and comments raised by the Committee she confirmed that a further follow-up report would be presented in December 2019 on progress with the remaining 7 MIJB Internal Audit recommendations.
Decision
<p>The Audit and Risk Committee noted</p> <ul style="list-style-type: none"> the progress made by Management in implementing Internal Audit recommendations to improve internal controls, risk management and governance arrangements of the Midlothian Health and Social Care Integration Joint Board. that a further follow-up report would be presented on progress with the remaining 7 MIJB Internal Audit recommendations.
Action
Chief Internal Auditor

Report No.	Report Title	Presented by:
5.5	Midlothian Health and Social Care Integration Joint Board Audit and Risk Committee Annual Report 2018/19 - Report by Chief Internal Auditor	Jill Stacey
Executive Summary of Report		
The purpose of this report was to present Members with the inaugural MIJB Audit and Risk Committee Annual Report 2018/19 which sets out how it is performing against its remit and incorporates its annual self-assessment using the CIPFA Audit Committees Guidance.		
Summary of discussion		
Jill Stacey, Chief Internal Auditor in presenting the Annual Report highlighted that it was designed both to provide assurance to the members of the MIJB's Board and to provide actions for the Committee to improve its effectiveness..		
Decision		
<p>After discussion, the Audit and Risk Committee agreed:-</p> <ul style="list-style-type: none"> to approve the MIJB Audit and Risk Committee Annual Report 2018/19 (Appendix 1) which incorporates its self-assessments (Appendices 2 and 3) using the CIPFA Audit Committees Guidance; and that the MIJB Audit and Risk Committee Annual Report 2018/19 should be presented to the MIJB to set out how it is performing against its remit and to gain approval to the proposed amendment to its Terms of Reference. 		
Action		
Chief Internal Auditor.		

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6. Private Reports

No private business to be discussed at this meeting.

7. Date of next meeting

The next meetings of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 6 December 2018 at 2.00 pm.

8. Valediction

The Committee joined the Chair in thanking Allister for his considerable efforts in taking the Midlothian IJB forward and wishing him well in his new position as Chief Officer/Joint Director for West Lothian.

The meeting terminated at 2.48 pm.