



Midlothian Integration Joint Board Audit and Risk Committee

Date	Time	Venue
Thursday 15 th December 2016	2.00pm	Meeting Room 5, 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 Auditors)	Elaine Greaves (Chief Internal Auditors)

In attendance:

Mike Broadway (Clerk)	

Apologies:

Cllr Bob Constable	Peter Johnston

Midlothian Integration Joint Board

Audit and Risk Committee

Thursday 15th December 2016

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 John Oates who had taken over from Alison McCallum as one of the two NHSL Board representatives.

2. Order of Business

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

3. Declarations of interests

No declarations of interest were intimated.

4. Minutes of Meeting

- 4.1 The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 8th September 2016 were submitted and approved.
- 4.2 Arising from the minutes, the Committee noted the positive feedback received from the External Auditors in respect of the Annual Accounts.

5. Reports

Report No.	Report Title	Presented by:
5.1	Audit Reports from other Bodies of interest to the MIJB	David King

Executive Summary of Report

The report explained that both the MIJB's partners – NHS Lothian and Midlothian Council – had their own Audit and Risk Committees which provided scrutiny and governance to their respective organisations. Some of the matters discussed by these Committees related to functions that had been delegated to the IJB and the Integration Scheme laid out that such reports should be shared with the IJB's Audit and Risk Committee. This paper summarised for the Committee those reports of interest to the IJB.

The report also considers reports from Audit Scotland that related to functions delegated to the IJB.

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 and also responded to Members questions/comments.

Midlothian Integration Joint Board

Audit and Risk Committee

Thursday 15th December 2016

The Committee whilst welcoming the report, felt it would be useful in assisting their consideration of any issues, if information could be included of any actions that had been taken, or had been agreed to be taken, by either partner to address issues arising from the audit reports.

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 this Committee in due course.**

Report No.	Report Title	Presented by:
5.2	Progress Update against the 2016-17 Internal Audit Plan	Graham Herbert

Executive Summary of Report

The report explained that Internal Audit was required under the Public Sector Internal Audit Standards to provide periodic updates to the Audit and Risk Committee on progress with the current year's audit plan, which had been approved by the Audit and Risk Committee on 17 March 2016 (paragraph 5.2 refers).

The purpose of this report therefore was to provide Members of the Audit and Risk Committee with an update on progress with the current year's audit plan

Summary of discussion

The Committee heard from the Chief Internal Auditor, who confirmed that based on the remaining work and current Internal Audit resource, there should be sufficient time remaining before the end of June 2017 to complete the 2016/17 plan.

Decision

After discussion the Audit and Risk Committee

- **noted the progress with the current year's plan;**
- **noted that based on the remaining work and current Internal Audit resource, there should be sufficient time remaining before the end of June 2017 to complete the 2016/17 plan; and**
- **agreed that the Chief Internal Auditor continue to provide updates to the Audit and Risk Committee, particularly if there was a risk of non delivery of the plan.**

Midlothian Integration Joint Board

Audit and Risk Committee

Thursday 15th December 2016

Report No.	Report Title	Presented by:
5.3	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 recommendations raised by Internal Audit since the IJB was formed in August 2015;
- to note the IJB's reported performance in addressing these issues by the agreed implementation date; and
- to highlight the main governance and financial risks where recommendations were found to be outstanding.

The report highlighted that a number of the recommendations raised by Internal Audit had not been fully implemented by the agreed implementation dates. Many of the risks identified were therefore not fully addressed. These include a number of significant governance and financial assurance issues. Having discussed the position with the Chief Officer and Chief Finance Officer the view was that too short a timescales were agreed for a number of the issues raised. There had in addition, been some uncertainty on long term national and local financing for the IJB which had impacted on a number of the recommendations raised. A revised schedule had therefore been agreed with updated target dates; a copy of which was appended to the report.

Summary of discussion

Having heard from the Chief Finance Officer, the Committee in discussing the revised schedule and updated target dates, acknowledged the reasoning behind the proposed changes and accepted that there was a need to ensure that the due dates were realistic and reflected what was achievable within the timescales that had been set. In this regard, the Committee suggested that it might be valuable to review the process for setting the timescales and who was responsible for the various actions. The Committee also felt that a further review would be beneficial of the proposed revised implementation dates.

Decision

After discussion the Audit and Risk Committee

- **noted the report;**
- **approved the revised implementation dates as shown in the Appendix to the report; and**
- **noted that Internal Audit would continue to work with Chief Officers to review proposed implementation dates and monitor completion of the outstanding recommendations and would provide further updates to the Audit and Risk Committee, taking on board Members' comments.**

Midlothian Integration Joint Board

Audit and Risk Committee

Thursday 15th December 2016

Report No.	Report Title	Presented by:
5.4	MIJB Strategic Risk Profile	David King

Executive Summary of Report

The purpose of this report was to provide the Audit & Risk Committee with an update on the MIJB Strategic 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

The Committee, having heard from the Chief Finance Officer, discussed the risk register. In response to Members' comments, it was agreed to circulate an updated copy to Members following the meeting and to also look at the possibility of including provision for the proposed Named Person legislation and prescription budget pressures. It was also felt that it would be useful going forward if an update on the risk register could be provided on a quarterly basis to the Committee.

Decision

The Audit and Risk Committee noted the report.

Report No.	Report Title	Presented by:
5.5	Sharing of Audit and Risk Reports - Midlothian Council Internal Audit Report - Self-Directed Support	Elaine Greaves

Executive Summary of Report

The purpose of this report was to provide the Committee with copy of a report, dated August 2016, by Midlothian Council's Internal Audit Manager, in respect of a review of the arrangements surrounding Midlothian Council's implementation of Self-Directed Support. The objective of the audit had been to assess the adequacy of the controls in place regarding the implementation of Self-Directed Support (SDS). This included evaluating the operational arrangements and control environment. The review had concluded that management had made good progress in implementing systems, internal controls, and procedures for the delivery of self-directed support. A number of weaknesses had however been identified in the controls where improvements were possible. The report therefore contained a management action plan to address these weaknesses and thus reduce risk and this was incorporated into the report. The management action plan had been accepted by management and approved by the Council's Audit and Risk Committee at its meeting on 20 September 2016.

Midlothian Integration Joint Board

Audit and Risk Committee

Thursday 15th December 2016

Decision

The Audit and Risk Committee, having heard from the Chief Internal Auditor, noted the report.

6. Private Reports

In view of the nature of the business to be transacted, the Board agreed that the public be excluded from the meeting during discussion of the undernoted item, as contained in the Addendum hereto, as there might be disclosed exempt information as defined in paragraphs 1, 6, 9 and 10 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

Sharing of Audit and Risk Reports - Midlothian Council Internal Audit Report -
Review of Controls operating over Care at Home – Noted.

7. Any other business

No additional business had been notified to the Chair in advance

8. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 9th March 2017 at 2.00pm

The meeting terminated at 4.27 pm.