

Minute of Meeting



Midlothian Integration Joint Board Audit and Risk Committee

Date	Time	Venue
Thursday 5 March 2020	2.00pm	Committee Room, Midlothian House, Buccleuch Street, Dalkeith EH22 1DN.

Present (voting members):

Cllr Jim Muirhead (Chair)	Carolyn Hirst (substitute for Angus McCann)
Pam Russell (Independent Member)	

Present (non-voting members):

Morag Barrow (Chief Officer)	Claire Flanagan (Chief Finance Officer)
Jill Stacey (Chief Internal Auditor)	

In attendance:

Stephen Reid (EY, External Auditor)	Chris Lawson (Risk Manager)
Mike Broadway (Clerk)	

Apologies:

Cllr Pauline Winchester	Angus McCann
Alex Joyce	Sarah Croft (EY, External Auditor)

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1. Welcome and introductions

The Chair, Councillor Jim Muirhead welcomed everyone to this 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

4.1 The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 5 December 2019 was submitted and approved as a correct record.

4.2 A Rolling Action Log – March 2020 was submitted.

The Committee, having received updates on the various action points detailed therein, agreed:-

- (a) to close off the completed actions;
- (b) to note that a further follow-up report on progress with the remaining Internal Audit Follow-Up Review recommendations was included on today's agenda; and
- (c) to note that regular updates on the NHS Lothian escalation were being included in the Chief Officer's Report to the Board.

(Action: Chief Officer/Chief Finance Officer/Clerk)

5. Public Reports

Report No.	Report Title	Presented by:
5.1	Risk Register	Chris Lawson
Executive Summary of Report		
The purpose of this report was to provide the Audit & Risk Committee with an update on the MIJB Strategic Risk Profile 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.		

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Summary of discussion

Having heard from Risk Manager, Chris Lawson, who responded to Members' questions and comments, the Committee took the opportunity to review, and comment on the contents of the current Risk Register. It was felt that it would be useful going forward if the impact of any actions that were off target, or in danger of going off target, could be quantified and the accompanying narratives used to highlight what corrective action was being taken or was being proposed. Of particular concern in this regards was the action relating to 'Interagency Information Exchange' that had a due date of 31 March 2018. Consideration was also given to the implications for the MIJB of NHS Lothian being placed at level 3 of the NHS Board Performance Escalation Framework and also the likely impacts arising as a result of COVID-19 (Coronavirus).

Decision

The Audit and Risk Committee, after further discussion:-

- **noted the current Risk Register;**
- **noted that a further report on actions relating to 'Interagency Information Exchange' would be prepared for consideration at a future meeting;**
- **agreed that any implications for the MIJB arising from the Recovery Plan adopted as a consequence of NHS Lothian being placed at level 3 of the NHS Board Performance Escalation Framework should be picked up in the Risk Register;**
- **noted that risks associated with COVID-19 (Coronavirus) would be picked up in the Q4 report; and**
- **confirmed that, otherwise, the risks contained in the Risk Register reflected the current risks/opportunities facing the MIJB.**

Action

Risk Manager/Chief Officer

Report No.	Report Titles	Presented by:
5.2	Midlothian Integration Joint Board Annual Audit Plan Year ending 31 March 2020	Stephen Reid, EY, External Auditors
Executive Summary of Report		
There was submitted the Midlothian Integration Joint Board Annual External Audit Plan for the financial year ending 31 March 2020.		
Summary of discussion		
Stephen Reid, External Auditor, EY 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 an assessment around the IJB's arrangements for securing Best Value. In addition, the Plan outlined the key areas and challenges in the current year including the financial sustainability, value for money and the identification of significant audit risks. Also included within the Plan was a timetable on the key phases of the audit for 2019/20. Thereafter he responded to Members' questions and comments.		

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The Committee, in considering the Plan, discussed how value for money, which it was noted would be a key focus of this year's Audit, would be measured and also if it could be picked up as part of future reports either by way of an adjustment to, or incorporation in, the existing MIJB report template.

Decision

The Audit and Risk Committee agreed to:-

- **note the report and Annual External Audit Plan; and**
- **explore ways of incorporating 'value for money' into the MIJB report template.**

Action

EY, External Auditors/Integration Manager

Report No.	Report Title	Presented by:
5.3	Midlothian IJB Internal Audit Annual Plan 2020/21	Jill Stacey

Executive Summary of Report

The purpose of the report was to present for the Committee approval the proposed Internal Audit Plan for 2020/21; a copy of which was appended to the report.

The report advised that the Public Sector Internal Audit Standards require the Chief Internal Auditor to develop a risk-based audit plan which sets out the priorities for the Internal Audit activity during the year in order to enable the Chief Internal Auditor to prepare the annual opinion on the adequacy of the overall control environment of the Midlothian Integration Joint Board. These priorities needed to be consistent with the MIJB's goals and objectives as set out in the Strategic Plan.

Summary of discussion

Having heard from Chief Internal Auditor, Jill Stacey, who responded to Members' questions and comments, the Committee discussed the Plan and the importance of the work being undertaken by Internal Audit. It was acknowledged that there was a need to ensure that the resources available were used as effectively and efficiently as possible in carrying out the audit function of the MIJB, and in this regards potential items for possible inclusion in the assurance audit work to be undertaken by the NHS Lothian Internal Audit team were discussed.

Decision

The Audit and Risk Committee agreed:-

- **that any further comments on potential items for possible inclusion in the assurance audit work to be undertaken by the NHS Lothian Internal Audit team be fed back to the Chief Internal Auditor as soon as possible; and**
- **to otherwise approve the Internal Audit Annual Plan for 2020/21.**

Action

Chief Internal Auditor

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Report No.	Report Title	Presented by:
5.4	Performance Monitoring of the Midlothian Acute Services Plan	Morag Barrow
Executive Summary of Report		
<p>The purpose of this report was to seek approval for the approach now in development to measure the impact of local community services in relation to the demands on acute hospitals, and to manage performance thereby enabling the HSCP to continually adapt and reshape its services.</p>		
Summary of discussion		
<p>Morag Barrow, Chief Officer reminded the Committee that the new Midlothian Acute Services Plan laid out a series of actions over the next two years designed to reduce demands on acute hospitals. This was a key responsibility of the IJB however, it was very challenging given the growing and ageing population and the increasing number of people living longer with long-term health conditions. In view of this, it was considered vital that a strong performance management system was in place to ensure the Plan remained on track in terms of implementation and impact</p>		
Decision		
<p>After discussion and questions to the Chief Officer, the Audit and Risk Committee:</p> <ul style="list-style-type: none"> • Agreed to the overall approach to ensuring effective measurement of the impact of community services upon the hospital system; and • Agreed to receive progress reports, including performance information, on a six monthly basis 		
Action		
Chief Officer		

Report No.	Report Title	Presented by:
5.5	NHS Lothian Recovery Update	Morag Barrow
Executive Summary of Report		
<p>The purpose of this report was to provide the Audit and Risk Committee with the latest report from NHS Lothian on the progress being made on the delivery of the NHS Lothian Recovery Plan, following the decision by Scottish Government to place NHS Lothian on Level 3 of Performance Escalation matrix.</p>		
Summary of discussion		
<p>The Committee, having heard from Chief Officer, Morag Barrow, who responded to Members questions and comments, welcomed the overview of work underway, and assurance of planning in place, but acknowledged that other events connected with the global spread of COVID-19 were very likely to have a major impact on the progress being made.</p>		

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Decision
<p>After further discussion, the Audit and Risk Committee:-</p> <ul style="list-style-type: none"> • noted the progress being made, and planning in place; • noted the potential impact of COVID-19; and • agreed to receive six monthly update reports to continue to provide assurance relating to improvement, and any changes in Scottish Government escalation.
Action
Chief Officer

Report No.	Report Title	Presented by:
5.6	Integration Authorities Financial Performance for 2019-20 after Quarter 2	Claire Flanagan
Executive Summary of Report		
<p>The purpose of this report was to summarise the quarterly report from the CIPFA IJB CFO Section on the Financial Performance for all the Integration Authorities (IA's) for financial year 2019-20 after Quarter 2. Key messages were summarised in the report, along with details of Midlothian's (ML) position as a comparison.</p>		
Summary of discussion		
<p>Claire Flanagan, Chief Finance Officer in presenting the report highlighted that this was the second summary report which presents an overview of financial performance for all 31 IA's for 2019-20. The report included forecasted year-end positions for 28 IA's and year to date positions at Quarter 2 for 3 IA's, showing the key factors contributing to these positions principally increased demand and higher costs.</p> <p>The Committee, welcomed the report and the narrative provided by the Chief Finance Officer, as it gave a better perspective of the Midlothian IJB's position and an opportunity to explore common issues. It also confirmed that demographic pressures and the challenging financial position were likely to continue to remain issues for the foreseeable future.</p>		
Decision		
<p>After discussion and questions to the Chief Finance Officer, the Audit and Risk Committee agreed to note the report and the key messages.</p>		
Action		
Chief Finance Officer.		

Report No.	Report Title	Presented by:
5.7	Audit Scotland Report on Local Government in Scotland Financial Overview 2018-19	Claire Flanagan

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Executive Summary of Report
The purpose of this report was to summarise the findings and key messages in the context of Midlothian Integrated Joint Board contained in the Audit Scotland report on how Local Government in Scotland was performing and what challenges it faced. The report recognised that Councils faced the increasing challenge of meeting changing and growing demands on their services, but their income was straining to keep pace
Summary of discussion
Chief Finance Officer, Claire Flanagan in presenting the report to the Committee highlighted that Audit Scotland's overview report of the 2018-19 financial year - "Local Government in Scotland Financial Overview 2018-19", provided an independent, public assessment of how effectively Scottish local government was managing public money and responding to the financial challenges it faced. It was aimed primarily at councillors and senior council officers as a source of information and to support them in their complex and demanding roles.
Decision
The Audit and Risk Committee, after discussion and questions to the Chief Finance Officer, noted the publication of the Audit Scotland report "Local Government in Scotland Financial Overview 2018-19" and the key messages contained therein.
Action
Chief Finance Officer

6. Private Reports

No private business to be discussed at this meeting.

7. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 4 June 2020 at 2.00 pm.

The meeting terminated at 3.34pm.