



## Midlothian Integration Joint Board Audit and Risk Committee

Date	Time	Venue
Thursday 20 <sup>th</sup> June 2018	3.00pm	Committee Room, Midlothian House, Buccleuch Street, Dalkeith EH22 1DN.

### Present:

Cllr Jim Muirhead (Chair)	Cllr Pauline Winchester
Angus McCann	Jane Cuthbert (Independent Member)

### Present (non-voting):

Alison White (substitute for Chief Officer, Allister Short)	David King (Chief Finance Officer)
Jill Stacey (Chief Internal Auditor)	

### In attendance:

Chris Lawson (Risk Manager, Midlothian Council)	Mike Broadway (Clerk)

### Apologies:

Alex Joyce	Keith Macpherson (EY, External Auditors)
Allister Short (Chief Officer)	Elaine Greaves (Principal Auditor, Midlothian Council)

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### 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, 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. Note of Meeting

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The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 29<sup>th</sup> March 2018 was submitted and approved.

### 5. Reports

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Report No.	Report Title	Presented by:
5.1	MIJB Transformational Funding - Report by MIJB Chief Internal Auditor	Jill Stacey

#### Executive Summary of Report

A report dated May 2018 was presented by the Chief Internal Auditor. The report set out the findings of an audit undertaken by NHS Lothian Internal Audit reviewing how the MIJB had ensured that all transformational funding had been received, and that it had been effectively utilised to support the redesign of primary care services within Midlothian.

Two key findings for improvement had been identified during the review, which were detailed within the report; these findings had been incorporated into the Management Action Plan.

#### Summary of discussion

The Committee, having heard from the Chief Internal Auditor, acknowledged her concerns that the support from NHS Lothian Internal Audit for her role as Chief Internal Auditor of the MIJB was not necessarily clear but she planned to have further discussions with NHS Lothian regarding this. The lack of clarity had impacted to a degree on this report and the management of the MIJB did not support the

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recommendations in the report. The Committee discussed this further – should they be concerned both over the report and the clarity issues - management's argument was that MIJB had agreed a strategy, the partnership should then deliver it and not report back to the MIJB at low levels of information; a view supported by the Board Chair, Angus McCann. The Committee's inclination was to accept management's position but for management to be clear as to what it expects from the partners. Jill noted that part of the Internal Audit reviews in 2018/19 would consider corporate governance and clarity around the totality of the governance could be addressed there.

### Decision

**After further discussion the Audit and Risk Committee agreed to note the report and intended actions to clarify (i) the level of support to be given by NHS Lothian's Internal Audit to the MIJB's Chief Internal Auditor and (ii) what management expects from the partners.**

### Action

Chief Internal Auditor

Report No.	Report Title	Presented by:
5.2	Follow up Review of Internal Audit Recommendations relating to Midlothian Health and Social Care Integration Joint Board - Report by MIJB Chief Internal Auditor	Jill Stacey

### Executive Summary of Report

The purpose of this report was to:

- inform the MIJB Audit and Risk Committee of the number of MIJB audit recommendations reported as complete; and
- report, for a sample of MIJB audit recommendations raised, on the adequacy of actions taken by Management to complete the recommendations.

The report advised that from a sample of 14 completed recommendations tested, 13 were found to have been completed satisfactorily and 1 was identified as not being fully complete. This related to an action to ensure that recommendations raised by internal and external assurance providers should be updated on the Pentana performance system to allow tracking for implementation. Although MIJB audit recommendations raised by Internal and External Audit had been recorded on the Pentana performance system, MIJB audit recommendations raised by the NHS Lothian Internal Audit team (3 in total) had not been recorded on the system. These actions had now been uploaded onto the Pentana performance system and were included as part of this review.

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### Summary of discussion

Having heard from the Chief Internal Auditor, the Committee in considering the report discussing the sampling progress, how this would be refined over time and used to help inform future audits.

### Decision

**The Audit and Risk Committee noted:-**

- the content of this report; and
- that Internal Audit would continue to sample audit recommendations reported as complete, review the adequacy of the actions taken and provide updates to the Audit and Risk Committee.

### Action

Chief Internal Auditor

Report No.	Report Title	Presented by:
5.3	Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2017/18 – Report by MIJB Chief Internal Auditor	Jill Stacey

### Executive Summary of Report

The purpose of the report was to present to the Midlothian IJB Audit and Risk Committee the Internal Audit Annual Assurance Report for the year to 31 March 2018 for the Midlothian Integration Joint Board (MIJB) which included the Chief Internal Auditor's independent assurance opinion on the adequacy of MIJB's overall control environment.

The report explained that the Public Sector Internal Audit Standards (PSIAS) required the MIJB's Chief Internal Auditor to prepare a report that incorporates the annual opinion on the adequacy and effectiveness of Midlothian Integration Joint Board's framework of governance, risk management and control, a summary of the work that supports the opinion, and a statement on conformance with the PSIAS.

### Summary of discussion

The Chief Internal Auditor in presenting the report confirmed that based on their reviews, risk assessments and knowledge, the MIJB's governance arrangements, risk management and systems of internal control were adequate.

The Committee in discussing the report acknowledged the good progress that had been made and some of the challenges that lay ahead.

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### Decision

**After further discussion, and having regards to the assurances contained therein, the Audit and Risk Committee agreed to approve the Midlothian Integration Joint Board Internal Audit Annual Assurance Report 2017/18.**

### Action

Chief Internal Auditor

Report No.	Report Title	Presented by:
5.4	MIJB Draft Annual Accounts 2017/18 – Report by Chief Finance Officer	David King

### Executive Summary of Reports

The purpose of the report was to present to the Midlothian IJB Audit and Risk Committee the unaudited Annual Accounts of the MIJB for the year ending 31 March 2018 for consideration and approval.

The report explained that IJB was required to prepare a set of annual accounts for the financial year 2017/18. A draft of these accounts must be agreed by the IJB before 30 June whereupon the draft must be published on the IJB's website and presented to the IJB's auditors for review. Unfortunately, because of timing issues, the draft Annual Accounts were not available to be presented to the IJB at its last meeting (7 June, 2018) but the IJB has agreed that the draft annual accounts may be agreed on its behalf by the Audit and Risk Committee.

### Summary of discussion

The Committee, heard from the Chief Finance Officer, who explained that the draft Annual Accounts, required to be considered in conjunction with preceding item of business; the Chief Internal Auditors Internal Audit Annual Assurance Report 2017/18.

In response to Members' comments, the Chief Finance Officer acknowledged that some further editorial work was still required, however in order to meet the required timescales it had been important for the draft Annual Accounts to be brought forward for consideration.

### Decision

**After further discussion, and having regards to the Midlothian Integration Joint Board Internal Audit Annual Assurance Report 2017/18, the Audit and Risk Committee agreed to approve the unaudited draft Annual Accounts for 2017/18.**

Report No.	Report Title	Presented by:
5.5	Risk Register – Report by Risk Manager	Chris Lawson

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### 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 Risk Manager who responded to Members' questions, the Committee discussed the Risk Register, giving particular consideration to the risks associated with the impact of demographic changes and the use of acute hospital beds. It was also felt that it would be useful going forward if any operational risks faced by the Council and NHS Lothian that could impact on the MIJB were reported so that a view could be taken on their possible inclusion in the Risk Register.

### Decision

#### The Audit and Risk Committee:-

- **confirmed that the risks contained in the report reflected the current risks/opportunities facing the MIJB;**
- **noted the work that would be undertaken to address issues arising from demographic changes and the use of acute hospital beds;**
- **approved plans to draft a report on any operational risks faced by the Council and NHS Lothian that could impact on the MIJB so that a view could be taken on their possible inclusion in the Risk Register; and**
- **otherwise, noted the report.**

### Action

Risk Manager

## 6. Private Reports

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No private reports were submitted to this meeting.

## 7. Date of next meeting

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The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee will be held on Thursday 6<sup>th</sup> September 2018 at 2.00pm.

The meeting terminated at 4.22 pm.