

Minute of Meeting



Midlothian Integration Joint Board Audit and Risk Committee

Date	Time	Venue
Thursday 7 March 2019	2.00pm	Committee Room, Midlothian House, Buccleuch Street, Dalkeith EH22 1DN.

Present (voting members):

Cllr Jim Muirhead (Chair)	Angus McCann
Cllr Pauline Winchester	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)	Chris Lawson (Risk Manager)
Mike Broadway (Clerk)	

Apologies:

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.

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 6 December 2018 was submitted and approved as a correct record.

5. Public Reports

Report No.	Report Title	Presented by:
5.1	Review of Progress with Integration	Allister Short
Executive Summary of Report		
The purpose of this report was to bring to the attention of the Audit and Risk Committee the recent report from the Ministerial Strategic Group for Health and Community Care on the review of progress with Integration of health and social care.		
Summary of discussion		
Allister Short (Chief Officer) provided the Committee with an overview of the key messages arising from the report; highlighting the connection to the recent Audit Scotland report on Integration which had been published in November 2018 and had been reported to the December Committee meeting. A key recommendation from these reports was for IJBs and Partners to assess progress against the key actions and to develop an Action Plan; a draft response was being prepared and would be reported for consideration by the MIJB at its Special Meeting in March. Following engagement with Partners it was proposed to develop an Action Plan to deliver on the agreed improvement areas and that oversight of this Plan would then be remitted to the Audit & Risk Committee.		
Decision		
After discussion and questions to officers, the Audit and Risk Committee: <ul style="list-style-type: none"> • Noted the key messages contained in the Ministerial Strategic Group for Health and Community Care report on the review of progress with Integration of health and social care; and 		

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- **Agreed to receive an updated report setting out what progress had been made locally against the key recommendations within the report and the Audit Scotland report on Integration**

Action

Chief Officer

Report No.	Report Title	Presented by:
5.2	Audit Scotland Auditing Best Value – Integration Joint Boards	Claire Flanagan
Executive Summary of Report		
This paper brought to the Audit and Risk Committee's attention, the Audit Scotland report on Auditing Best Value for Integration Joint Boards.		
Summary of discussion		
Chief Finance Officer, Claire Flanagan in presenting the report to the Committee highlighted the key messages arising from the report, which aimed to assist auditors in assessing best value within IJBs. The expectation being that IJBs should secure best value similar to other public sector bodies including health and central government and demonstrate achievement of best value within documents such as their strategic plans and performance reports. It further noted that Auditors should also assess best value reviews of parent bodies and whether these supported the delivery of best value from the IJBs. The report contained a number of Audit prompts, which it was proposed form the focus of consideration at an extended future meeting of the Audit and Risk Committee.		
Decision		
The Audit and Risk Committee, after discussion and questions to officers: <ul style="list-style-type: none"> • Noted the publication of the Audit Scotland Reports Auditing Best Value for Integration Joint Boards and the key messages contained therein; and • Agreed that a future extended Audit & Risk Committee review the key messages arising from the report within the context of Midlothian IJB. 		
Action		
Chief Finance Officer/Clerk		

Report No.	Report Title	Presented by:
5.3	Update on Progress with Delivery of Midlothian IJB Internal Audit Annual Plan 2018/19	Jill Stacey
Executive Summary of Report		
The purpose of this update from the Chief Internal Auditor was to provide an overview of the progress being made on delivery of the current Annual Audit Plan.		

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Summary of discussion

The Committee, having heard from Jill Stacey (Chief Internal Auditor), who responded to Members questions and comments, acknowledged her concerns that the support from NHS Lothian Internal Audit for her role as Chief Internal Auditor of the MIJB was not necessarily going to deliver the agreed number of hours planned, however it was noted that she intended to have further discussions with NHS Lothian regarding this. This led into a general discussion regarding the likely potential impact and also whether a service level agreement, or something similar, was required.

Decision

After further discussion, the Audit and Risk Committee:-

- **noted the update on progress against the current year's Annual Audit Plan;**
- **noted the concerns raised by the Chief Internal Auditor and agreed to receive a further update at the next meeting; and**
- **noted that Internal Audit would continue to progress the current year's Annual Audit Plan and would provide further updates as required.**

Action

Chief Internal Auditor

Reports No.	Report Titles	Presented by:
5.4	External Audit Annual Plan for 2018/19	Stephen Reid, EY, 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 2019. 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 Plan 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 Plan was a timetable on the key phases of the audit for 2018/19. Thereafter he responded to questions and comments from Members of the Committee.

Decision

The Audit and Risk Committee noted the report.

Action

EY, External Auditors

Report No.	Report Title	Presented by:
5.5	Risk Management Q3 Update	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 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 that the 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.

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; 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 Title	Presented by:
5.6	Midlothian IJB Internal Audit Annual Plan 2019/20	Jill Stacey

Executive Summary of Report

The purpose of the report was to present for the Committee approval the Internal Audit Plan for 2019/20; 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.

Summary of discussion

Having heard from Jill Stacey (Chief Internal Auditor), the Committee discussed the importance of the work being undertaken by Internal Audit and emphasised the need to ensure that the resources available were used as effectively as possible in carrying out the audit function of the MIJB.

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Decision

The Audit and Risk Committee agreed to approve the Internal Audit Annual Plan for 2019/20.

Action

Chief Internal Auditor

6. Private Reports

No private business to be discussed at this meeting.

7. Any other business

Report No.	Report Title	Presented by:
7.1	Membership	Allister Short

Executive Summary of Report

Jane Cuthbert indicated that, having been involved in the Audit and Risk Committee since its inception, she was looking to step down as the Independent Member.

The Committee discussed briefly the process for securing a replacement noting that Allister Short (Chief Officer), had received an expression of interest from Pam Russell who was currently a member of the Midlothian IJB, in becoming involved in the Audit and Risk Committee.

Decision

Thereafter, the Audit and Risk Committee:

- **Noted Jane Cuthbert intention to step down as the Independent Member;**
- **Recorded an expression of thanks and appreciation to Jane for her contributions to the work of the MIJB Audit and Risk Committee; and**
- **Agreed to take the necessary steps to secure a replacement, noting the interest expressed by current Board member Pam Russell.**

Action

Chief Officer

8. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 6 June 2019 at 2.00 pm.

The meeting terminated at 3.05 pm.