

Midlothian Integration Joint Board



Meeting	Date	Time	Venue
Audit and Risk Committee	Thursday 3 March 2022	2.00pm	Virtual Meeting held using MS Teams.

Present (voting members):

Councillor Jim Muirhead (Chair)	Carolyn Hirst	Councillor Derek Milligan
Jock Encombe		

Present (non-voting members):

Morag Barrow (Chief Officer)	David King (Interim Chief Finance Officer)	Jill Stacey (Chief Internal Auditor)

In attendance:

Grace Scanlin (EY, External Auditor)	Derek Oliver (Chief Officer Place)	Elaine Greaves (Principal Internal Auditor)
Gill Main (Integration Manager)	Andrew Henderson (Democratic Services)	Mike Broadway (Clerk)

Apologies:

Pam Russell (Independent Member)	Stephen Reid (EY, External Auditor)	

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1. Welcome and introductions

The Chair, Councillor Jim Muirhead welcomed everyone to this virtual meeting of the Audit and Risk Committee, in particular Gill Main, Integration Manager, H&SC.

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. Minutes of Meeting

- 4.1 The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 2nd December 2021 was submitted and approved as a correct record.

5. Public Reports

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
5.1 Update on Chief Internal Auditor and Chief Finance Officer. The Chief Internal Auditor, Jill Stacey, and Interim Chief Finance Officer, David King, provided the Committee with updates on their respective positions, and the transitional arrangements that were in place to support the MIJB. The Committee, in acknowledging that the Local Government Elections in May were also likely to	Noted the current position.		

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bring around further changes in membership, expressed thanks to both Jill and David, and to the retiring Council Members who had served on the Committee.			
<p>5.2 Midlothian Integration Joint Board Annual Audit Plan Year ending 31 March 2022 - Report by EY, External Auditors.</p> <p>There was submitted the Midlothian Integration Joint Board Annual External Audit Plan for the financial year ending 31 March 2022.</p> <p>Grace Scanlin, External Auditor, EY in presenting the Plan to the Committee explained that this Annual Audit Plan had been prepared for the benefit of IJB management and the Audit and Risk Committee, setting out the proposed audit approach for the audit of the financial year ending 31 March 2022. The Plan also set out the proposed work they would perform to allow them to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit, including the audit of Best Value, in this the fifth year of their appointment. As a result of the impact of Covid-19 their appointment had been extended by a further 12 months to include the financial year 2021/22.</p> <p>The Plan outlined the key areas and challenges in the current year including the financial sustainability, value for money and the identification of significant</p>	Approved the Annual External Audit Plan.	External Auditors	

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audit risks. Also included within the Plan was a timetable on the key phases of the audit for 2021/22. Thereafter Grace responded to Members' questions and comments.			
<p>5.3 MIJB Internal Audit Annual Plan 2022/23 – Report by Chief Internal Auditor.</p> <p>The purpose of the report was to present for the Committee approval the proposed Internal Audit Plan for 2022/23; a copy of which was appended to the report.</p> <p>The report advised that the Public Sector Internal Audit Standards (2017) 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.</p> <p>Having heard from Chief Internal Auditor, Jill Stacey, who responded to Members' questions and comments, the Committee in discussing the Plan and the importance of the work being undertaken by Internal Audit, welcomed the way in which the programme of work was designed to add value to, and improve, the MIJB's operations in order to meet the objectives set out in the Strategic Plan. It being</p>	Approved the Internal Audit Annual Plan for 2022/23.	Chief Internal Auditor	

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<p>hoped that these principles would in time be extended to other areas. It was also acknowledged that the differing roles of Internal and External Audit would require to be picked up as part of the induction training for new Members.</p>			
<p>5.4 Risk Register – Report by Chief Officer Place.</p> <p>The purpose of this report was to provide an update on the Strategic Risk Profile covering quarter 3 2021/22, 1 October 2021 – 31 December 2021 and the current issues, future risks and opportunities for the MIJB. The report also provided the Committee with an overview of the most significant issues and risks on the MIJB strategic risk profile during the quarter.</p> <p>Having heard from Derek Oliver, Chief Officer Place, the Committee discussed issues arising from the current strategic risk profile, in particular the most significant issues and risks which had been highlighted in the report.</p>	<p>(a) Noted the current Strategic Risk Profile;</p> <p>(b) Noted the updates provided on the risk control measures and the progress being made to address all risks; and</p> <p>(c) Confirmed that, otherwise, the risks contained in the Strategic Risk Profile reflected the current risks/opportunities facing the MIJB.</p>		
<p>5.5 CIPFA – Financial Management Code, 2021/22 – Report by Interim Chief Finance Officer.</p> <p>With reference to paragraph 5.1 of the Minutes of 2 December 2021, there was submitted a report the purpose of which was to consider how the guidance in the CIPFA Financial Management Code, 2021/22 pertains to the operations of the IJB and to consider</p>	<p>(a) Noted the analysis detailed in the report as to which elements of the guidance relate to the IJB directly and the assurance process that were required.</p> <p>(b) Agreed that a report laying out opinions be submitted to the IJB recommending the adoption of the code on the basis of the</p>	Interim Chief Finance Officer	

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<p>how the IJB can assure itself that the guidance was being met.</p> <p>The report explained that the IJB was, in essence, a strategic planning board and did not – for example, pay suppliers or staff. The operational delivery was in the hands of the IJB Partners – the IJB having no authority to deliver its functions except through Midlothian Council and NHS Lothian – and assurance of much of the CIPFA FM guidance would flow from the assurance systems of the partners. It should be noted that the adoption of this guidance was an element in the overall achievement of best value.</p> <p>After hearing from both the Interim Chief Finance Officer, David King and Chief Internal Auditor, Jill Stacey, the Committee acknowledged the contents of the report.</p>	committee's considerations.		
<p>5.6 Best Value – Consideration of the Audit Scotland Questionnaire – Report by Interim Chief Finance Officer.</p> <p>With reference to paragraph 5.2 of the Minutes of 2 December 2021, there was submitted a report the purpose of which was to set out for the Committee consideration suggested responses to the Audit prompts/questions in the Audit Scotland report Auditing Best Value for Integration Joint Boards, along with a consideration of assurance that might be provided to support the responses.</p>	<p>(a) Noted the suggested responses to the Audit Scotland best Value questionnaire for IJBs as outlined in the report; and</p> <p>(b) Agreed to request the preparation of an appropriate best value framework for adoption by the IJB.</p>	Interim Chief Finance Officer	

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<p>The Interim Chief Finance Officer in presenting the report explained how the Committee might assure itself that the principles of best value were being applied to the work of the IJB that is the development and delivery of the IJB's Strategic Plan.</p> <p>The Committee, following questions to the Chief Internal Auditor, welcomed the proposed responses and having discussed a number of issues, suggested a number of further refinements.</p>			
<p>5.7 Audit Scotland – Recent Audit Reports of Interest - Report by Interim Chief Finance Officer.</p> <p>The purpose of this report was to highlight audit reports from Audit Scotland on areas of interest to the IJB Audit and Risk Committee. Topics cover included:</p> <ul style="list-style-type: none"> • Social Care Briefing ▪ Planning for Skills ▪ Use and Application of Performance Indicators in the Public Sector <p>A copy of the full Social Care Briefing was included as an Appendix to the report, which also contained hyperlinks to the other complete audit reports mentioned.</p> <p>Having heard from the Interim Chief Finance Officer, David King, the Committee welcomed the report.</p>	<p>Noted the publications and the key messages they contained.</p>	<p>All to Note.</p>	

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6. Private Reports

No private business to be discussed at this meeting.

7. Any other business

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7.1 Membership The Committee having noted that this would be the final meeting prior to the Local Government Elections in May joined in thanking the Chair and the other Council Members who had served on the Committee and in wishing them all the best for the future.	(a) Recorded an expression of thanks and appreciation to Councillor Jim Muirhead for his contributions as Chair of the MIJB Audit and Risk Committee, and also to the other elected Members who had served on the Committee over the past five year period; and (b) Noted that the necessary steps would be taken in due course to secure suitable replacements.		

8. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 2 June 2022 at 2.00 pm.

(Action: All Members to Note)

The meeting terminated at 3.42 pm.