

Midlothian Integration Joint Board



| Meeting | Date | Time | Venue |
|--------------------------|-----------------------|--------|--------------------------------------|
| Audit and Risk Committee | Thursday 10 June 2021 | 2.00pm | Virtual Meeting held using MS Teams. |

Present (voting members):

| | | |
|----------------------------------|---------------|---------------------------|
| Cllr Jim Muirhead (Chair) | Carolyn Hirst | Councillor Derek Milligan |
| Pam Russell (Independent Member) | | |

Present (non-voting members):

| | | |
|---|--------------------------------------|--|
| Claire Flanagan (Chief Finance Officer) | Jill Stacey (Chief Internal Auditor) | |
| | | |

In attendance:

| | | |
|--------------------------------------|--------------------------------------|-------------------------------------|
| Grace Scanlin (EY, External Auditor) | Derek Oliver (Chief Officer - Place) | Mairi Simpson (Integration Manager) |
| Mike Broadway (Clerk) | | |

Apologies:

| | | |
|------------------------------|-------------------------------------|--|
| Morag Barrow (Chief Officer) | Stephen Reid (EY, External Auditor) | |
| | | |

Audit and Risk Committee

Thursday 10 June 2021

1. Welcome and introductions

The Chair, Councillor Jim Muirhead, welcomed everyone to this virtual meeting of the 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. Minutes of Meeting

4.1 The Minutes of Meeting of the Audit and Risk Committee held on 4 March 2021 was submitted and approved as a correct record.

5. Public Reports

| Report Title/Summary | Decision | Action Owner | Date to be Completed/Comments |
|--|--|--------------|-------------------------------|
| <p>5.1 Midlothian IJB Internal Audit Annual Assurance Report 2020/21 – Report by Chief Internal Auditor.</p> <p>The purpose of this report was to present the Internal Audit Annual Assurance Report 2020/21 for the Midlothian Integration Joint Board (MIJB) which included the Chief Internal Auditor's independent assurance opinion on the adequacy of the arrangements for governance, risk management and internal control by the MIJB of the delegated resources.</p> | <p>(a) Noted the assurances contained within the Report; and</p> <p>(b) Approve the Midlothian Integration Joint Board Internal Audit Annual Assurance Report 2018/19.</p> | | |

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| <p>The report explained that the Public Sector Internal Audit Standards (PSIAS) required the MIJB's Chief Internal Auditor to prepare an annual report that incorporated the annual opinion on the adequacy and effectiveness of MIJB'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.</p> <p>Chief Internal Auditor, Jill Stacey, 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 operating satisfactorily, and that the work and opinion of Internal Audit had been used to inform the Chief Officer's Annual Governance Statement 2020/21.</p> <p>The Committee, in considering the Report, discussed the need for clarity and consistency in some of the terminology used, and also clarity regarding under whose governance certain matters fell and where it was one of the partners responsibilities how the MIJB satisfied itself on this particular issue.</p> | | | |
| <p>5.2 Midlothian IJB Annual Governance Statement 2020/21 – Report by Chief Officer.</p> <p>The purpose of this report was to present the draft Annual Governance Statement 2020/21 of the Midlothian Integration Joint Board by the Chief</p> | <p>(a) Agreed that the Annual Governance Statement 2020/21 reflected the risk environment and governance in place to achieve objectives, and acknowledged the actions identified by Management to improve internal controls and governance arrangements; and</p> | | |

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| <p>Officer that would be published as part of the Annual Report and Accounts 2020/21.</p> <p>The report explained that the CIPFA/SOLACE Framework urged authorities to review the effectiveness of their existing governance arrangements against their Local Code, and prepare a governance statement and report compliance on an annual basis. A revised Local Code of Corporate Governance, had been approved by the MIJB on recommendation by the Audit and Risk Committee, in April 2021.</p> <p>In terms of overall corporate governance it was the Chief Officer's opinion that, although there are a few areas of work to be completed for full compliance with the Local Code, the overall governance arrangements of the MIJB were operating satisfactorily.</p> <p>The Committee, having heard from Chief Internal Auditor, Jill Stacey, who responded to Members' questions and comments, discussed the Annual Governance Statement 2020/21.</p> | <p>(b) Agreed to recommend to the Board that it be published as part of the Annual Report and Accounts 2020/21.</p> | | |
| <p>5.3 MIJB Draft Unaudited Annual Accounts 2020/21 – Report by Chief Finance Officer.</p> <p>The purpose of the report was to present the draft (unaudited) Annual Accounts of the MIJB for the year ending 31 March 2021 for consideration and approval.</p> | <p>Agreed to recommend to the Board approval of the unaudited draft Annual Accounts 2020/21 for publication and submission to the external auditors for audit purposes.</p> | <p>Chief Finance Officer</p> | |

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| <p>The report explained that MIJB was required to prepare a set of annual accounts for the financial year 2020/21. A draft of these accounts must be agreed by the MIJB before 30 June whereupon the draft must be published on the MIJB's website and presented to the MIJB's auditors for review.</p> <p>Having heard from Chief Finance Officer, Claire Flanagan, who responded to Members' questions and comments, the Committee discussed the unaudited Annual Accounts. It was felt that if elements, such as the PPE Hubs, which were not within the control of the MIJB and the position relating to committed reserves could be better articulated this would be beneficial in assisting understanding of the position regarding these and other similar matters.</p> | | | |
| <p>5.4 MIJB Audit and Risk Committee Annual Report 2020/21 and self-assessments - Report by Chair.</p> <p>The purpose of this report was to provide Members with the MIJB Audit and Risk Committee Annual Report 2020/21 which set out how it was performing against its remit and incorporated its annual self-assessment using the CIPFA Audit Committees Guidance.</p> <p>The report explained that the MIJB Audit and Risk Committee Annual Report 2020/21 was designed</p> | <p>(a) Approved the MIJB Audit and Risk Committee Annual Report 2020/21; and;</p> <p>(b) Agreed that the MIJB Audit and Risk Committee Annual Report 2020/21 should be presented to the MIJB to set out how it was performing against its remit.</p> | | |

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| <p>both to provide assurance to the members of the MIJB's Board and to identify actions for the Committee to help improve its effectiveness.</p> <p>Having heard from both the Chair and the Chief Internal Auditor, the Committee discussed the Annual Report.</p> | | | |
| <p>5.5 Risk Register – Report by Chief Officer - Place</p> <p>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.</p> <p>The Committee, having heard from Derek Oliver (Chief Officer – Place), who responded to Members' question and comments, discussed issues arising from the current strategic risk profile, in particular the most significant issues and risks highlighted in the report. It was suggested that if in future details of any movements in any issues, risks or opportunities could be highlighting this would be a welcome addition as it would assist the Committee in their consideration of the Strategic Risk Profile.</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> | Chief Officer - Place | Next update report on MIJB Strategic Risk Profile scheduled for September 2021 |

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| <p>5.6 Midlothian IJB Recommendations Internal Audit Follow-Up Review Completed Actions – Report by Chief Internal Auditor.</p> <p>The purpose of this report was to provide information on Internal Audit actions flagged as completed during 2020/21 and confirm the adequacy of the new internal controls, risk management and governance of the Midlothian Integration Joint Board (MIJB).</p> <p>The Committee, having heard from Chief Internal Auditor, Jill Stacey who provided a brief update on the work being carried out by the internal audit team on the completed audit actions to ensure there was evidence on the ongoing improvement of internal control, risk management and governance arrangements, discussed the progress made in implementing the recommendations of Internal Audit.</p> | <p>Noted the progress made in implementing Internal Audit recommendations to improve internal controls, risk management and governance arrangements of the Midlothian Integration Joint Board.</p> | | |

6. Private Reports

No private business to be discussed at this meeting.

7. Any other business

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| <p>7.1 Membership</p> <p>The Committee, having noted that Chief Finance Officer, Claire Flanagan would shortly be going on</p> | <p>Noted that the necessary steps were being taken to secure suitable maternity cover.</p> | | |

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| maternity leave, joined with the Chair in congratulating Claire and wishing her all the best. | | | |

8. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 2 September 2021 at 2 pm.

(Action: All Members to Note)

The meeting terminated at 3.28 pm.