

Minute of Meeting



Midlothian Integration Joint Board Audit and Risk Committee

Date	Time	Venue
Thursday 6 September 2017	2.00pm	Committee Room, Midlothian House, Buccleuch Street, Dalkeith EH22 1DN.

Present (voting members):

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

Present (non voting members):

Allister Short (Chief Officer)	David King (Chief Finance Officer)
Jill Stacey (Chief Internal Auditor)	

In attendance:

Stephen Reid (EY, External Auditor)	Janet Ritchie (Democratic Services Officer)

Apologies:

Councillor Pauline Winchester	Alex Joyce

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1. Welcome and introductions

The Chair, Councillor Jim Muirhead welcomed everyone to the 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

The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 20 June 2018 was submitted. An amendment to the minute was proposed with regards to item 5.4 which should read that the annual accounts may be agreed by the Integration Joint Board or appropriate sub-committee. With the insertion of this amendment the minute was thereafter approved.

5. Public Reports

Report No.	Report Title	Presented by:
5.1	Appointed Auditor – Letter of Representations	David King (Chief Finance Officer)
Executive Summary of Report		
<p>The purpose of this report was to present the ‘letter of representations’ for the 2017/18 audit of the IJB to the committee. The report explained that the IJB as a statutory body was required to produce a set of Annual Accounts every financial year. These accounts must be audited by an independent (external) Auditor and the IJB was required to request that the audit was undertaken and provided a range of assurances to the Auditors. This was done through the ‘letter of representations’ which was written by the IJB (and signed on its behalf by the CFO and the Chair of the Audit and Risk Committee) to the appointed auditor providing these assurances.</p> <p>The Audit and Risk Committee was asked to agree that the letter of representations was signed on the IJB’s behalf by the CFO and the Chair of the Audit and Risk committee.</p>		
Summary of discussion		
<p>David King (Chief Finance Officer) in presenting the ‘letter of representations’ highlighted that this had a key part in the process of producing the set of annual accounts.</p>		
Decision		
<p>The Audit and Risk Committee agreed that the letter of representations would be signed by the Chief Finance Officer and the Chair of the Audit and Risk Committee.</p>		
Action		
<p>Chief Finance Officer and the Chair of the Audit and Risk Committee.</p>		

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Report No.	Report Title	Presented by:
5.2	Annual Audit Report to year ended 31 March 2018	External Auditors, EY
Executive Summary of Report		
<p>The purpose of this report was to present the external Annual Audit report of the IJB and the controller of Audit – year end 31 March 2018.</p> <p>In accordance with the Local Government (Scotland) Act 1973, the Accounts Commission appointed EY as the external auditor of Midlothian Integration Joint Board (IJB) for the five year period 2016/17 to 2020/21. This Annual Audit Report was designed to summarise the key findings and conclusions from the audit work. It was addressed to both members of the IJB and the Controller of Audit, and presented to both IJB management and those charged with governance. After consideration by the IJB, this report would be provided to Audit Scotland and published on their website.</p>		
Summary of discussion		
<p>External Auditor provided the Committee with an outline of the report highlighting the key messages detailed within the Executive summary which included Financial management, Financial sustainability, Governance and transparency and Value for money. The two recommendations for management as a result are set out in the action plan, Appendix D.</p> <p>There after the External Auditor responded to questions and comments raised by the committee.</p>		
Decision		
<p>The Audit and Risk Committee noted the external auditors report on the MIJB's annual accounts and the recommendations within the action plan detailed in the Appendix to the report.</p>		

Report No.	Report Title	Presented by:
5.3	Annual Accounts 2017/18	David King (Chief Finance Officer)
Executive Summary of Report		
<p>The purpose of this report was to present for the Committee's consideration and approval the Annual Accounts 2017/18 which have been reviewed by the IJB's Independent Auditors.</p> <p>The report explained that as a statutory body, the IJB was required to produce a set of annual accounts at the end of its financial year (31 March). These accounts are then reviewed by the IJB's external auditors who would report their opinions on the Annual Accounts to the IJB Audit and Risk Committee. This report having been agreed by the committee and no outstanding issues the Committee would recommend the annual accounts to the IJB.</p> <p>The accounts will then be signed by the Chair of the IJB, the Chief Officer of the IJB and the Chief Finance Officer of the IJB as appropriate.</p>		

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Summary of discussion

David King (Chief Finance Officer) in presenting the Annual Accounts to the Committee highlighted the background to the Midlothian Integration Joint Board (MIJB), explaining that the MIJB was governed by the Local Government Scotland Act (1973) along with the 2014 regulations and that the Accounts had been prepared on that basis. The accounts had subsequently been audited by the MIJB's External Auditors – Ernst & Young.

Angus McCann highlighted that the statement on page 60 should read: *'I confirm that these Annual Accounts were approved for signature at the Integration Joint Board on 13 September 2018 on recommendation from the Audit and Risk Committee held on 6 September 2018'*. David King confirmed that this was correct and this would be amended for presentation to the Integration Joint Board on 13 September 2018.

Decision

The IJB Audit and Risk Committee:

- Noted the external auditors report on the MIJB's annual accounts.
- The Chief Finance Officer would amend the statement on page 60 of the accounts as detailed above before presenting the final accounts for signature.
- Recommended the Annual Accounts to the Integration Joint Board.

Action

Chief Finance Officer

Report No.	Report Title	Presented by:
5.4	Risk – partners key risks and any potential impact on the IJB	David King (Chief Finance Officer)

Executive Summary of Report

The purpose of this report was to provide an update of the operational risks held within the partner's risks registers of both Midlothian Council and NHS Lothian to the committee and therefore allowing information on key risks held and their mitigation.

The IJB and the Audit and Risk committee have discussed the need to be sighted on the operational risks held within the risk registers of the health and social care partners held within both NHS Lothian and Midlothian Council.

At the March 2018 Audit and Risk Committee it was agreed that the Chief Finance Officer would provide a report highlighting these operational risks to ensure that any risks identified are known to the IJB.

The IJB is not in a position to manage such operational risks and would, in any event, depend on the management actions of the partners.

Summary of discussion

David King (Chief Finance Officer) presented this report to the committee and apologised for the late distribution of the Partner's risk registers.

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Thereafter detailed discussion took place on operational risks and IJB risks and the key high level risks identified within the report.

Decision

The IJB Audit and Risk Committee:

- Noted the operational risks identified.
- Agreed that this information would be extracted every 6 months.
- Agreed to add the Partners' Operational Risk Register as a standard item on the agenda.

Action

Democratic Services Officer

Report No.	Report Title	Presented by:
5.5	Overview of Internal Audit Plan for 2018/19	Jill Stacey (Chief Internal Auditor)
Executive Summary of Report		
The Chief Internal Auditor circulated the IJB Internal Audit Action Plan 2018/19 for discussion.		
Summary of discussion		
The Chief Internal Auditor provided the committee with a brief update on the items contained within the audit action plan and an explanation on the timescales listed. After responding to questions and comments raised by the committee she confirmed that the plan was flexible could be amended as required over the year.		
Decision		
The Audit and Risk Committee noted the IJB Internal Audit Action Plan.		

6. Private Reports

No private business to be discussed at this meeting.

7. Date of next meeting

The next meetings of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 6 December 2018 at 2.00 pm.

The meeting terminated at 3.10 pm.