

Midlothian Integration Joint Board



Meeting	Date	Time	Venue
Audit and Risk Committee	Thursday 4 March 2021	2.00pm	Virtual Meeting held using MS Teams.

Present (voting members):

Cllr Jim Muirhead (Chair)	Carolyn Hirst	Councillor Russell Imrie
Pam Russell (Independent Member)		

Present (non-voting members):

Claire Flanagan (Chief Finance Officer)	Jill Stacey (Chief Internal Auditor)	Alison White

In attendance:

Stephen Reid (EY, External Auditor)	Chris Lawson (Risk Manager)	Mike Broadway (Clerk)

Apologies:

Councillor Derek Milligan	Mike Ash	Morag Barrow (Chief Officer)

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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 Councillor Russell Imrie, who was substituting for Councillor Derek Milligan, and also Alison White who was substituting for Chief Officer, Morag Barrow.

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 3rd December 2020 was submitted and approved as a correct record.

5. Public Reports

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
5.1 Risk Register – Report by Risk Manager 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.	(a) Noted the current Strategic Risk Profile; (b) Noted the updates provided on the risk control measures and the progress being made to address all risks; and (c) Confirmed that, otherwise, the risks contained in the Strategic Risk Profile reflected the current risks/opportunities facing the MIJB.	Risk Manager	Next update report on MIJB Strategic Risk Profile scheduled for June 2021

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The Committee, having heard from Risk Manager, Chris Lawson, 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.			
<p>5.2 Guidance for Auditors – Covid-19 - Letter from Elma Murray, Interim Chair, Accounts Commission</p> <p>The purpose of this letter was to bring to the Committee's attention two new guides for Auditors produced by Audit Scotland in relation to Covid-19. The first being '<i>Balancing the budget in councils</i>' and the second '<i>Going concern in councils</i>'.</p> <p>The letter explained that the reason for highlighting these particular publications was because they related to the Commission's longstanding interest in the essential importance of effective leadership, good governance and strong financial management for councils. But also, because they recognised the challenges of delivering these key Best Value obligations in the context of Covid-19. The Commission would be encouraging local auditors to use these guides as a basis for engaging with their audited bodies.</p> <p>After hearing from both the Chief Finance Officer, Claire Flanagan, and Chief Internal Auditor, Jill Stacey, the Committee acknowledged the contents of the letter.</p>	Noted the letter and Audit Scotland publications to which it related.		

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<p>5.3 Midlothian Integration Joint Board Annual Audit Plan Year ending 31 March 2021 - 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 2021.</p> <p>Stephen Reid, 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 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 audit risks. Also included within the Plan was a timetable on the key phases of the audit for 2020/21. Thereafter Stephen Reid responded to Members' questions and comments.</p>	Approved the Annual External Audit Plan 2020/21.	External Auditor, EY	External Audit Annual Report 2020/21 scheduled for September 2021

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<p>5.4 MIJB Internal Audit Annual Plan 2021-22 – 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 2021/22; 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 suggested use of self-evaluation/informal training as a mean of assisting Members in carrying out their scrutiny role.</p>	<p>Approved the Internal Audit Annual Plan for 2021/22.</p>	<p>Chief Internal Auditor</p>	<p>Mid-Term Performance against MIJB Internal Audit Plan 2021/22 scheduled for December 2021</p>

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<p>5.5 MIJB Local Code of Corporate Governance – Report by Chief Officer.</p> <p>With reference to paragraph 5.6 of the Minutes of the MIJB of 13 June 2019, there was submitted a report seeking approval of an updated Local Code of Corporate Governance for the Midlothian Integration Joint Board (MIJB).</p> <p>The report explained that the MIJB's Code of Corporate Governance, summarised the key policies and procedures that were in place, providing the framework for the governance arrangements for delivering health and social care integration in Midlothian, ensuring that the MIJB operated to a high standard consistent with national guidance.</p> <p>The Chief Internal Auditor presented the report and explained the significant work that had been carried out by Internal Audit to revise the format and content of the MIJB Local Code of Corporate Governance to comply with the CIPFA/SOLACE Good Governance Framework (2016) to ensure it continued to be a value-added tool for members and officers of the MIJB in the conduct of its affairs against the seven core principles of good governance.</p> <p>The Committee, following questions to the Chief Internal Auditor, welcomed the revised Code of Corporate Governance.</p>	<p>(a) Noted the changes to the Local Code of Corporate Governance as outlined in the report;</p> <p>(b) Agreed to recommend to the MIJB approval of the updated Local Code of Corporate Governance; and</p> <p>(c) Noted that the updated Local Code will be used for the 2020/21 annual assurance process.</p>	Chief Officer	Approved by the MIJB on 8 April 2021 - Complete

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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 Mike Ash would be retiring from his position as an NHS Lothian Board Member at the end of April 2021 and that this would therefore be his last meeting as a member of the Midlothian IJB Audit and Risk Committee joined the Chair in wishing him all the best for the future.	(a) Recorded an expression of thanks and appreciation to Mike Ash for his contributions to the work of the MIJB Audit and Risk Committee; and (b) Noted that the necessary steps would be taken in due course to secure a suitable replacement.		

8. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 3 June 2021 at 2.00 pm.

(Action: All Members to Note)

The meeting terminated at 3.03 pm.