

Midlothian Integration Joint Board



Meeting	Date	Time	Venue
Audit and Risk Committee	Thursday 2 December 2021	2.00pm	Virtual Meeting held using MS Teams.

Present (voting members):

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

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)	Roxanne King (Executive Business Manager)
Mike Broadway (Clerk)	Andrew Henderson (Democratic Services)	

Apologies:

Councillor Derek Milligan	Jock Encombe	Stephen Reid (EY, External Auditor)

Audit and Risk Committee

Thursday 2 December 2021

1. Welcome and introductions

The Chair, Councillor Jim Muirhead, welcomed everyone to this virtual meeting of the MIJB Audit and Risk Committee, in particular Roxanne King, Executive Business Manager, H&SC, follow 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

- 4.1 The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 2 September 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 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 September 2021, there was submitted a report the purpose of which was to inform the Committee of the Financial Management Code (FM Code) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) (21/22) and to ask the Committee to recommend to the Board adoption of the guidance, in so far as it applies to the operation of the IJB.</p>	<p>(a) Agreed to recommend to the Board adoption of the guidance, in so far as it applies to the operation of the IJB;</p> <p>(b) Seek a further report regarding how the FM Code would apply to the IJB and how assurance would be sought on it; and</p> <p>(c) Noted the opportunity to potentially address assurance through the Local Code of Corporate Governance and the Internal Audit Annual Plan.</p>	<p>Interim Chief Finance Officer with support from Chief Internal Auditor</p>	<p>March 2022</p>

Audit and Risk Committee

Thursday 2 December 2021

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<p>The report explained that the FM Code was designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. It also, for the first time, set out the standards of financial management for local authorities. As IJBs were governed by the Local Authority regulations they must also collectively demonstrate that the requirements of the code were being satisfied.</p> <p>The Committee, having heard from Interim Chief Finance Officer, David King, discussed the IJB's capacity to address the requirements of the code, the relationship and reliance on its partners' compliance and areas that might potentially be impacted by the Code such as strategic planning.</p>			
<p>5.2 Best Value Questionnaire - Audit Scotland - Report by Interim Chief Finance Officer</p> <p>With reference to (i) paragraph 5.2 of the Minutes of 7 March 2019; and (ii) paragraph 5.1 of the Minutes of 2 September 2021, there was submitted a report the purpose of which was to remind the Committee of the Audit prompts/questions in the Audit Scotland report Auditing Best Value for Integration Joint Boards.</p> <p>The report highlighted that it had previously been agreed that time be put aside at a future meeting of the Committee to discuss this questionnaire. This work has not yet commenced and it was therefore recommended that this decision stand and that time</p>	<p>(a) Noted the publication of the report from Audit Scotland; and</p> <p>(b) Agreed to extend a future meeting(s) of the Audit & Risk Committee in order to review the key messages in the report within the context of Midlothian IJB on a thematic basis.</p>	<p>Interim Chief Finance Officer with support from Chief Internal Auditor</p>	<p>March 2022</p>

Audit and Risk Committee

Thursday 2 December 2021

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<p>be made available at future meetings of the Committee to discuss the questionnaire.</p> <p>Having heard from Interim Chief Finance Officer, David King, the Committee were supportive of this approach and suggested that questions be broken down on a thematic basis and possibly spread over more than one meeting.</p>			
<p>5.3 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 2 2021/22, 1 July 2021 – 30 September 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 in discussing issues arising from the current strategic risk profile, acknowledged the need to redress the balance away from the focus on purely operational matters, which where the responsibilities of the respective partners, to include risks that were the direct responsibility of the IJB.</p> <p>Pam Russell (Independent Member) advised that she had some specific comments on the risk evaluations that she would pass on following the meeting which she hoped would be of some assistance. She also had a number of points which she would welcome clarification on.</p>	<p>(a) Noted the current Risk Register;</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 Risk Register reflected the current risks/opportunities facing the MIJB.</p>	Risk Manager	March 2022

Audit and Risk Committee

Thursday 2 December 2021

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<p>5.4 Audit Scotland 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"> • Impact of Covid-19 on Scottish Councils Benefit Services <ul style="list-style-type: none"> ▪ Christie – It Really is Now or Never ▪ Covid-19 Vaccination Programme ▪ Covid-19 – Tracking the Impact of Covid-19 on Scotland’s Public Finances ▪ Social Care ▪ Local Government in Scotland Overview 2021 ▪ Covid-19 Following the pandemic pound : Our Strategy • NHS in Scotland 2020 <p>The executive summaries of each of the reports, together with a hyperlink to the complete audit report, were included in Appendix 1 to the report. Also included as Appendix 2 was a copy of the full audit report on the Covid-19 Vaccination Programme as this was a major part of the current operational aspects of Midlothian Health & Social Care Partnership.</p> <p>Having heard from the Interim Chief Finance Officer, David King, the Committee discussed how best to share this information with the wider Board</p>	<p>(a) Noted the publications and the key messages they contained; and</p> <p>(b) Agreed that the Chief Officer be asked to include the summary appendix (appendix 1) as part of the Briefing Bulletin circulated to all Board Members and that the Independent Member be added to the circulation list.</p>	Chief Officer	Regular Briefing Bulletin

Audit and Risk Committee

Thursday 2 December 2021

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<p>membership.</p> <p>The Committee also heard from Chief Officer, Morag Barrow, who in response to a number of questions and comments, gave an update on the vaccination programme in Midlothian.</p>			
<p>5.5 MIJB Recommendations Internal Audit Follow-Up Review – Report by Chief Internal Auditor</p> <p>With reference to paragraph 5.6 of the Minutes of 10 June 2021, there was submitted a report the purpose of which was to provide information of the number of recommendations raised by Internal Audit for the MIJB that were in progress; note the MIJB's reported performance in addressing the associated internal control and governance issues by the agreed implementation; and highlight the main governance and financial risks where recommendations were found to be outstanding.</p> <p>The report confirmed that there were 6 In-Progress Internal Audit Recommendations currently remaining, and detailed the progress being made with regards implementation, completion of which was expected in full by March 2021, although these could still be impacted by Covid-19 related activities.</p> <p>After hearing from both the Chief Internal Auditor, Jill Stacey and Chief Officer, Morag Barrow, the Committee acknowledged the complexities involved in addressing the issues concerned, and also the considerable challenges faced by H&SC services in addressing the normal winter pressures whilst still</p>	<p>(a) Acknowledged the progress made by Management in implementing Internal Audit recommendations to improve internal controls and governance, and mitigate risks;</p> <p>(b) Agreed that the progress made by Management was satisfactory and that no other actions were required; and</p> <p>(c) Noted that Internal Audit would continue to monitor the completion of the outstanding recommendations and would provide further update reports to the Committee as required.</p>	Chief Internal Auditor	June 2022 – within Internal Audit Annual Assurance Report 2021/22

Audit and Risk Committee

Thursday 2 December 2021

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
facing issues posed by the ongoing Covid-19 pandemic.			
<p>5.6 Progress Update on Delivery of Midlothian IJB Internal Audit Annual Plan 2021/22 – Report by Chief Internal Auditor</p> <p>With reference to paragraph 5.4 of the Minutes of 4 March 2021, there was submitted a report the purpose of which was to inform the Committee of the progress Internal Audit had made, in the first 6 months of the year to 30 September 2021, towards completing the Internal Audit Annual Plan 2021/22 for the Midlothian Integration Joint Board (MIJB).</p> <p>The Committee, having heard from Chief Internal Auditor, Jill Stacey, who responded to Members questions and comments, welcomed the inclusion of information regarding Internal Audit reports by partners' Internal Auditors that were relevant to MIJB; and discussed potential possible options for the scope of the audit to be provided by NHS Lothian Internal Audit team (Grant Thornton), which was still to be determined.</p>	<p>(a) Noted the progress Internal Audit had made by the mid-year point with activity in the approved Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Plan 2021/22 (Appendix 1);</p> <p>(b) Approved continuing to explore the possibility of a pan-Lothian audit utilising the unallocated audit time to be provided by the NHSL Internal Audit team; and</p> <p>(c) Noted the list of Internal Audit reports by partners' Internal Auditors presented to their respective Audit Committees that were relevant to MIJB for assurance purposes (Appendix 2), and the assurances contained therein.</p>	Chief Internal Auditor	March 2022
<p>5.7 The Principles to Underpin the Working Relationship between Partners' Audit Committees – Report by Chief Internal Auditor</p> <p>The purpose of this report was to share with the Committee the updated Principles to Underpin the Working Relationships between Partners' Audit Committees; details of which were set out in an</p>	<p>(a) Agreed to the Principles to Underpin the Working Relationships between Partners' Audit Committees that were set out in the Appendix to the report; and</p> <p>(b) Noted how this would work in practice for each Principle, as set out in the Appendix to the report.</p>		

Audit and Risk Committee

Thursday 2 December 2021

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<p>appendix to the report, along with details of how each Principle would work in practice.</p> <p>The Committee, having heard from Chief Internal Auditor, Jill Stacey, welcomed the update and were encouraged by the work that been undertaken to establish an effective working relationship with the Partners' Audit Committees.</p>			

6. Private Reports

No private business to be discussed at this meeting.

7. Any other business

No additional business had been notified to the Chair in advance.

8. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 3 March 2022 at 2.00 pm.

(Action: All Members to Note)

The meeting terminated at 3.08 pm.