



**MINUTES OF THE MEETING OF THE
EAST LOTHIAN INTEGRATION JOINT BOARD
AUDIT & RISK COMMITTEE**

**TUESDAY 21 FEBRUARY 2017
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Members Present:

Mr M Ash (*substitute)
Councillor S Currie (Chair)
Councillor J Goodfellow
Mr A Joyce

Council/NHS Lothian Officers Present:

Mr S Allan
Ms M Garden
Mr D King

Others Present:

Ms E Scoburgh, Audit Scotland
Ms G Woolman, Audit Scotland

Clerk:

Ms F Currie

Apologies:

Mr P Murray*

Declarations of Interest:

None

1. MINUTES OF THE IJB AUDIT & RISK COMMITTEE MEETING OF 6 DECEMBER 2016 (FOR APPROVAL)

The minutes of the East Lothian IJB Audit & Risk Committee meeting of 6 December 2016 were approved.

Mike Ash asked when the Internal Audit Work Plan would be presented to the Committee and was advised by Mala Garden that this would come forward at the next meeting (6 June 2017).

2. MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 6 DECEMBER 2016

The following matters arising from the minutes of the meeting of 6 December 2016 were discussed:

Role and Work of the Committee – David King reminded members that at the meeting on 6 December it had been agreed to defer consideration of this item until the next meeting. He said that over the past year the Committee had spent a considerable amount of time on financial assurance and now might be an appropriate time to reflect on the wider remit of the Committee.

The Chair said he was conscious that not all of the Committee members were present and he was keen that they should be involved in this discussion. He proposed that the members be invited to put forward suggestions for discussion at the next meeting and added that he would like to see performance included as a topic for further consideration.

Mr Ash agreed that there would be some advantage in postponing the discussion as the membership of the Committee was likely to change following the local government election in May. He reminded members that the IJB had previously agreed to consider reports on performance at its own meetings, however, he acknowledged that this had not worked as well as hoped due to delays in receiving information. He said that a second report on performance was due to be submitted to the IJB at its next meeting and it would then review how this issue should be handled in future. This may involve delegating responsibility to the Audit & Risk Committee and, if so, it would be useful for the Committee to include this in its discussions at the next meeting.

Ms Garden advised that performance monitoring was part of the 2016/17 audit plan and she would be bringing forward a report to the next meeting on the effectiveness of these arrangements.

The Chair commented that it would be useful to tie-in future discussions on these issues with an induction session for members on the role of the Audit & Risk Committee.

3. EAST LOTHIAN INTEGRATION JOINT BOARD ANNUAL AUDIT PLAN 2016/17

A report was submitted by Audit Scotland setting out the East Lothian Integration Joint Board (IJB) Annual Audit Plan for 2016/17.

Gillian Woolman presented the report. She advised members that, as well as East Lothian, Audit Scotland had been appointed as external auditors to four other IJBs: Orkney, Aberdeenshire, Angus and Scottish Borders. She confirmed that discussions had already taken place with East Lothian Council's internal auditors on assisting with the induction programme following the election and on how best to prioritise key issues going forward.

Ms Woolman summarised the report including key audit risks, wider dimension risks, reporting arrangements and the audit scope and timing. She responded to questions from members on the content of the wider dimensions risks section and budget monitoring.

Speaking on behalf of Peter Murray, Mr Ash expressed concern about previous delays in receiving financial information and on the absence of any risk sharing protocols. He said that he did not think that either of the IJB's Partners was providing all the necessary data and that this needed to be looked at more formally.

Ms Woolman advised members that part of Audit Scotland's role was to support IJBs to ensure that basic mechanisms were in place to help them to achieve their strategic goals.

The Chair agreed that this was an important issue and added that the Committee needed to put together a schedule outlining the type of reports that were required and the timescale for presenting these to the Committee. He said that the IJB was relying on the Committee to undertake appropriate scrutiny of these matters. He agreed to discuss the idea of a schedule with Mr King in advance of the next meeting.

Mr King acknowledged that financial management arrangements were something which must be looked at and agreed with the Partners to ensure that the IJB had the information it needed.

Decision

The Committee agreed to note the contents of the Annual Audit Plan.

4. INTERNAL AUDIT REVIEW – SOCIAL CARE FUND

A report was submitted by the Chief Internal Auditor to present to the Committee the main findings of the Internal Audit Review on the Social Care Fund (SCF).

Stuart Allan presented the report. He advised that the main aim of the audit was to review the use of the SCF and he outlined the key findings and conclusions contained within the report.

In response to questions, Mr Allan stated that the review had confirmed that the funds had been properly allocated to specific budget codes and that there had been some progress made towards the objectives set out by the Scottish Government. However, he was not yet in a position to advise on actual expenditure incurred for some of the allocations.

Mr King said that it was his intention to prepare a detailed report on spending of the SCF following the financial year end. This would include information to show how and where monies had been spent on the priorities identified by the IJB. He expected the report to be ready for presentation to the next meeting of the Committee.

Ms Garden provided further context to the report explaining that when the SCF money was allocated the IJB was keen to ensure that it was spent on specific pressures and additionality, and that a report such as the one provided today would be useful. She hoped that it had provided some level of assurance and had shown that progress was being made in some areas.

Both the Chair and Mr Ash welcomed these comments and reiterated the importance of being able to track how and where this money was spent.

Decision

The Committee agreed to note the findings of the Internal Audit Review on the Social Care Fund.

5. IJB RISK REGISTER

Mr King presented the Risk Register for discussion and noting. He advised that this was a working document which had been presented at previous meetings and that members had been invited to make suggestions on additional content.

The Chair said it was important to show whether the specified control measures had been put in place and whether they had been effective in reducing risk to the target level. There needed to be an understanding of what factors affected each risk, how these could be mitigated and evidence that performance was being regularly reviewed and the risk level updated. He added that where it became clear that mitigation measures were not working the reasons for this, and the measures themselves, needed to be addressed.

Mr King agreed that it was important to present this information to the Committee so that the members had the opportunity to challenge officers on the actions being taken. In response to further questions, he explained that he and the Chief Officer were involved with regular discussions with Partners around the systems they have in place to manage risk.

Mr Ash suggested that the Partners might take on a greater role on operational oversight of some of the control measures. He also referred to the NHS Lothian's recent review of governance structures and the inclusion of representatives from the IJBs on NHS Lothian's Health Care Governance Committee.

The Chair agreed but observed that there was a tremendous cross-over of work between the Partners and that information sharing and joint working would be crucial to the success of the Risk Register.

Mr King agreed to revise the Risk Register to take account of members' comments and to present a revised document to the next meeting.

Decision

The Committee agreed to note the contents of the Risk Register.

6. SHARING OF INFORMATION WITH THE PARTNERS' AUDIT COMMITTEES

A report was submitted by the Chief Finance Officer to update the Committee on its discussions at its last meeting regarding the sharing of information between the audit committees of NHS Lothian and East Lothian Council and this Committee.

Mr King presented the report. He outlined the background to the report and drew members' attention to the proposal by NHS Lothian that it provides access to all of the papers from its Audit and Risk Committee and to ensure that any matters which relate to the functions delegated to the IJB are brought to the IJB's attention. He added that similar discussions were taking place with East Lothian Council but that these had yet to be finalised.

Ms Garden advised that a report was to have been presented to the Council's Audit & Governance Committee but a concern had been raised over whether the Committee had the remit to consider this issue. The paper may have to be put forward to Council or Cabinet and discussions were ongoing. She confirmed that the Internal Audit executive summary reports submitted to the Audit & Governance Committee were public reports and available on the Council's website.

Mr Ash commented that there was a commitment within the Integration Scheme for Partners to review their Standing Orders and NHS Lothian had already done so. He suggested that, following the election, the Council may need to consider doing the same.

Decision

The Committee agreed to:

- (i) Note the report; and
- (ii) Support the principle of sharing audit and risk reports and papers across the health and social care system.

7. SCHEDULE OF MEETINGS 2017/18

A report was submitted by the Chief Finance Officer to propose a schedule of meetings for the Committee for the following financial year.

Mr Ash pointed out that as a result of the likely change voting membership of the IJB after the local government election in May, the IJB would be required to appoint new East Lothian Council voting members to the Audit & Risk Committee. As the IJB was not scheduled to meet until 22 June, this process would not be completed in time for the Committee's next meeting on 6 June. Mr Ash suggested that an alternative might be to delegate this responsibility to the Chair of the IJB.

Mr King agreed to look into this matter and advise members accordingly.

Decision

The Committee agreed the schedule of meetings.

Signed

Councillor Stuart Currie
Chair of the East Lothian IJB Audit & Risk Committee