



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 24 October 2017

BY: Chief Finance Officer

SUBJECT: Audit and Risk Information Sharing Principles

1 PURPOSE

This paper lays out the proposed information sharing principles between the Audit and Risk Committees of NHS Lothian and the four IJBs in the Lothian area.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to agree the information sharing principles per the attached paper.

3. BACKGROUND

- 3.1 In 2015, NHS Lothian and its four Council partners set up Integration Joint Boards in each Council area. Each of these IJBs set up its own Audit and Risk Committee.
- 3.2 Given that each Council also has its own Audit and Risk committee there is clearly the potential for the IJB's Audit and Risk committees either not being aware of information already available to the partners or other IJBs or undertaking reviews which had already been addressed in other organisations.
- 3.3 NHS Lothian set up a meeting of IJB A&R chairs which was attended by the CFO on behalf of the East Lothian Audit and Risk Committee. This meeting agreed an overall set of principles to ensure a clear working relationship between the Audit and Risk Committees which, in essence, was an agreement to share all the reports and papers in all the Lothian A&Rs and to ensure that the chairs had the opportunity to share any information they thought fit to share.

- 3.4 The attached document now formally lays out these principles and NHS Lothian have asked that the IJB A&R committees endorse this position.

4 POLICY IMPLICATIONS

- 4.1 This paper is covered within the policies already agreed by the IJB.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 There are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – there are none.
6.2 Personnel – there are none.

7 BACKGROUND PAPERS

- 7.1 None

Appendices

1. Proposed Principles for Information sharing amongst Audit and Risk Committees – NHS Lothian, East Lothian IJB, Midlothian IJB, West Lothian IJB and Edinburgh IJBN

AUTHOR'S NAME	David King
DESIGNATION	Chief Finance Officer
CONTACT INFO	David.king@nhslothian.scot.nhs.uk
DATE	6 October 2017

3.1 Principles to Underpin Working relationships between ARCs

THE PRINCIPLES TO UNDERPIN THE WORKING RELATIONSHIPS BETWEEN THE Lothian NHS BOARD AUDIT & RISK COMMITTEE AND THE INTEGRATION JOINT BOARD AUDIT & RISK COMMITTEES

PRINCIPLE 1: The IJB Audit & Risk Committees and the Lothian NHS Board Audit & Risk Committee have an effective working relationship to take forward matters of common interest.

How will this work in practice?

- ✓ In addition to other specific measures, the chairs of the committees will meet every 6 months.
- ✓ The audit & risk committees, chief internal auditors and management from the IJBs and Lothian NHS Board shall work collaboratively to resolve issues and risks, recognising that for some issues and risks there are interdependencies between the IJBs.
- ✓ The IJB Chief Finance Officers shall lead the work required to maximise and maintain consistency in the IJBs' systems for risk management and risk registers. The aim is to create a reliable holistic view of risk from IJBs which can then inform the design of the NHS Lothian internal audit plan and make the most effective use of internal audit resources.
- ✓ In the event that the Lothian NHS Board Audit & Risk Committee should wish to call the attention of an IJB to a specific matter, the Chair will refer the matter through the established communication channel (see below), flagging the need for the matter to be drawn to the attention of the Chair of the IJB and the IJB Chief Officer. The matter could arise from any aspect of the Committee's business, e.g. audit reports, risks identified from risk management reports.
- ✓ In the event that an IJB Audit & Risk Committee identifies a matter of direct and material relevance to the Lothian NHS Board Audit & Risk Committee, the Chair will refer the matter through the established communication channel (see below), flagging the need for the matter to be drawn to the attention of the Chair of the Lothian NHS Board and the NHS Lothian Chief Executive.
- ✓ The IJB Audit & Risk Committees have the right to require NHS managers to attend their meetings, should they wish to discuss an internal audit report with them. However it is agreed that this right would be exercised after due consideration and would probably be exceptional. In the normal course of events the IJB Audit & Risk Committees will in the first instance rely on the scrutiny and oversight work of Lothian NHS Board Audit & Risk Committee.

3.1 Principles to Underpin Working relationships between ARCs

PRINCIPLE 2 : To support the efficient conduct of business, there is a clear communication process from the IJB Audit & Risk Committee to the Lothian NHS Board Audit & Risk Committee, and vice versa.

How will this work in practice?

- ✓ In the event that an IJB Audit & Risk Committee wishes to raise a matter directly with the NHS Lothian Audit & Risk Committee, the IJB Chief Finance Officer will be tasked with communicating the request.
- ✓ The IJB Chief Finance Officer shall send the request to the secretary of the Lothian NHS Board Audit & Risk Committee (currently Alan Payne, alan.payne@luht.scot.nhs.uk). The secretary shall process the request accordingly.
- ✓ With regard to communication from the Lothian NHS Board Audit & Risk Committee to the IJB audit & risk committees, the secretary of the Lothian NHS Board Audit & Risk Committee shall send the information to the IJB Chief Finance Officer (or an officer that the IJB Chief Finance Officer has identified for that purpose).

PRINCIPLE 3: The reports from the Lothian NHS Board internal audit function shall be readily available to the IJB audit & risk committees. The reports from the IJB internal audit functions shall be readily available to the Lothian NHS Board audit & risk committee.

How will this work in practice?

- ✓ The Lothian NHS Board Audit & Risk Committee has agreed to refer reports by instructing management to publish internal audit reports once the Committee has reviewed and accepted them. The NHS Lothian Chief Internal Auditor routinely publishes internal audit reports on the Board's website once they have been reviewed and accepted by the Committee.

www.nhslothian.scot.nhs.uk / Our Organisation / Key Documents / Audits
- ✓ Once the reports have been placed on the website, the NHS Lothian Chief Internal Auditor shall email the IJB Chief Internal Auditors and Chief Finance Officers to make them aware of this. This email shall also advise whether any of the reports are relevant to integration functions.
- ✓ The IJB Audit & Risk Committees shall refer any relevant IJB internal audit reports to the Lothian NHS Board Audit & Risk Committee, and reflect that referral in their minutes. The IJB Chief Internal Auditor shall send the reports to the NHS Lothian Director of Finance and the secretary of the Lothian NHS Board Audit & Risk Committee.

3.1 Principles to Underpin Working relationships between ARCs

PRINCIPLE 4: The minutes of the IJB audit & risk committees and Lothian NHS Board audit & risk committee shall be accessible.

How will this work in practice?

- ✓ The Lothian NHS Board Audit & Risk Committee minutes will be available within the Board papers on its website, and the secretary of the committee will advise the IJB Chief Finance Officers when they are available.
- ✓ The IJB Audit & Risk Committee minutes will be available on the website of the relevant local authority, and the IJB Chief Finance Officers will advise the secretary of the Lothian NHS Board Audit & Risk Committee when they are available.

PRINCIPLE 5: The NHS Lothian internal audit plan shall take into account the requirements of the IJB internal audit plans.

How will this work in practice?

- ✓ The IJB Chief Internal Auditors shall liaise with the NHS Lothian Chief Internal Auditor when developing the IJB internal audit plan. The NHS Lothian Chief Internal Auditor shall set aside time to accommodate IJB work.
- ✓ The NHS Lothian internal audit plan shall be developed in the spirit of collaboration and co-ordination, to ensure that the NHS Lothian internal audit resource deployed to support IJB internal audit plans is being used effectively and with due regard to residual risk.
- ✓ The IJB Audit & Risk Committee shall approve the IJB internal audit plan.
- ✓ The Lothian NHS Board shall require assurance from the NHS Lothian Chief Internal Auditor that the NHS Lothian internal audit plan is compatible with the requirements of the IJB internal audit plans.