

East Lothian Integration Joint Board



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 7 December 2021

BY: Chief Internal Auditor

SUBJECT: Lothian IJBs'/NHS Audit and Risk Committees

1 PURPOSE

- 1.1 To inform and seek approval of the Audit and Risk Committee to the recently agreed 'Principles to Underpin Working Relationships between Lothian NHS and IJB' and seek approval of these principles. These principles have been developed through discussion between the NHS Lothian and Lothian IJB's Chief Internal Auditors and Audit & Risk Committee Chairs.

2 RECOMMENDATION

- 2.1 That the Audit and Risk Committee approve the Principles to Underpin Working Relationships between Lothian NHS and IJB, as presented in Appendix 1.

3 BACKGROUND

- 3.1 The Governance, Risk and Control framework of East Lothian IJB is impacted by the environment in place across NHS Lothian and the other Lothian IJB's, as well as East Lothian Council. The Chief Internal Auditors of NHS Lothian and the Lothian IJB's have been meeting to agree a set of principles to govern the relationships between the Audit & Risk Committees of these organisations.
- 3.2 Further discussion of the principles was then completed in October 2021 with all Audit & Risk committee chairs. During November and December 2021 the NHS Lothian and Lothian IJB Audit & Risk Committees are all being asked to approve the principles.
- 3.3 The following four principles have been agreed, and Appendix 1 provides agreed examples of how they will operate in practice:
- 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.

- 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.
- 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.
- NHS Lothian and the respective Council's will work together to support the IJB Internal Audit plans.

4 ENGAGEMENT

- 4.1 The principles have been discussed with Audit & Risk Committee Chairs, Chief Internal Auditors and Management across NHS Lothian and the Lothian IJB's, but do not require wider engagement.

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 DIRECTIONS

- 7.1 The subject of this report does not require any amendment to or creation of Directions.

8 RESOURCE IMPLICATIONS

- 8.1 Financial - None
- 8.2 Personnel - None
- 8.3 Other - None

9 BACKGROUND PAPERS

- 9.1 None

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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 alongside the Chief Internal Auditors (broadly timing to be aligned to IA Planning and IA opinion).
- ✓ 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 Officers (or delegated per IJB structures) 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 and Partner organisations.
- ✓ There will be an agreed two-way communication between the NHS Lothian ARC and the IJB. This will focus on the principles of assurance and sharing relevant information between both parties, not to duplicate the work of the respective committees.
- ✓ 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.

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 relevant 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 (

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...). 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 publishes 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 following the Audit & Risk Committee meeting 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 to make them aware of this. This email will include reference to those reports relevant to the IJB for the Chief Internal Auditor to consider for referral.
- ✓ On a quarterly basis NHS Lothian Internal Audit present a follow up on outstanding actions to the ARC meeting. This will be shared with the IJB Chief Internal Auditors once presented to Committee.
- ✓ 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 liaise with the Chief Internal Auditor of NHS Lothian to share the reports.

PRINCIPLE 4: NHS Lothian and the respective Council's will work together to support the IJB Internal Audit plans.

How will this work in practice?

- ✓ The IJB Chief Internal Auditors and the NHS Lothian Chief Internal Auditor will routinely meet during the year to share intelligence including work programmes. Both parties will aim to avoid duplication in internal audit resources. To support the IJB Internal Audit plan delivery, NHS Lothian Internal Audit will provide an internal audit team member to the IJB Chief Internal Auditors. This will be for an agreed period of time, at a time that works for both parties.
- ✓ The NHS Lothian Internal Audit team member will be the responsibility of the Chief Internal Auditor for the IJB who will scope, direct, and review the work of the auditor. The report will be the responsibility of the IJB Chief Internal Auditor who will report the work to the IJB Audit and Risk Committee.
- ✓ The sharing of internal audit resource will be referenced in the NHS Lothian plan, but this will not form the NHS Lothian Internal Audit plan and will not be considered within the NHS Lothian annual internal audit opinion.

