

Minutes

Audit and Risk Committee

9.30 am, Friday 01 July 2016

City Chambers, Edinburgh

Present:

Angus McCann (Chair), Councillor Elaine Aitken, Kay Blair, Councillor Joan Griffiths, Alex Joyce and Ella Simpson.

Officers: Magnus Aitken (Chief Internal Auditor), Ross Murray (Committee Services) and Moira Pringle (Interim Chief Finance Officer).

Apologies: Daniel Melly (Audit Scotland)

1. Minute

Decision

To approve the minute of 20 May 2016 as a correct record.

2. Work Programme

Decision

- 1) To note the Work Programme.
- 2) That Annual Accounts be added to the upcoming reports for 2 September 2016.

(Reference – Audit and Risk Committee Work Programme – July 2016, submitted.)

3. Outstanding Actions

Decision

- 1) To approve the closure of actions 6, 7, 12 and 13.
- 2) That Audit and Risk Committee members liaise with contacts at KPMG and CIPFA regarding the availability of candidates with finance expertise for cooption as a Committee member.



- 3) That the Chair write to the Chair of the NHS Audit Committee seeking clarification with regard to the procedure for sharing of information and completed Internal Audit reports between constituent Audit, Risk and Scrutiny Committee and the level of support that the NHS Lothian Internal Audit division would make available to the Joint Board during the 2016/17 period.
- 4) To note that learning points on the initial year of the external audit process would be presented to the September or November 2016 meeting of the Audit and Risk Committee.
- 5) To note that the Risk Management Strategy would be presented to the November 2016 meeting of the Audit and Risk Committee.
- 6) To otherwise note the outstanding actions.

(Reference – Outstanding Actions – July 2016)

4. Accounts 2015/16

The draft Annual Accounts for the Joint Board for 2015/16 were submitted. It was advised that accounts would be submitted to the external auditors before the Joint Board for sign off in September 2016

Decision

- 1) To note the draft financial statements submitted.
- 2) To note the proposed timescale for completion.
- 3) To note that minor amendments would be made to the formatting and text of the document.
- 4) That the Chair write to Audit Scotland to query the fee incurred for the 2015/16 audit period.

(Reference – report by the Interim Chief Finance Officer, submitted.)

5. Risk Initiative Update

An update on the risk initiative being undertaken by the Joint Board Senior Management Team including a heat map of identified inherent and residual risks was submitted.

Decision

- 1) To note the progress on the risk initiative and proposed next steps.

- 2) To agree that the output was considered by the Joint Board in August 2016.
- 3) To request the view of the Joint Board August Development Session on matters relating to environmental/strategic/political risks.
- 4) That the Chair speak with the Chief Officer of the Joint Board with a view to inviting him to attend Audit and Risk Committee meetings.
- 5) To enshrine the referral of the Joint Board Risk Register and any Joint Board audit reports to the NHS Lothian Audit Committee and/or the Council Governance, Risk and Best Value Committee as appropriate.
- 6) To circulate updates on the plan for the Joint Board August Development Session once this had been progressed.

(References – minute of the Integration Joint Board Audit and Risk Committee 20 May 2016 (item 5); report by the Interim Chief Finance Officer, submitted.)

6. Internal Audit Plan 2016/17

The Internal Audit Plan for the period 1 April 2016 to 31 March 2017 was submitted. The Plan was risk based and derived from the Joint Board's Risk Register and Risk Map.

Decision

- 1) To approve the Internal Audit Plan in principle but note the uncertainty over the level of Internal Audit resource that would be provided to the Joint Board by NHS Lothian.
- 2) To note that the current expected level of Internal Audit resource would not allow the Joint Board to gain any assurance over the medium risks identified in the Audit Plan and to request that officers explore the possible options for obtaining additional resource for the Joint Board.
- 3) To note that the audits planned would require the crossing of NHS Lothian and Council boundaries and to express support for auditors to do this.

(Reference – report by the Chief Internal Auditor, submitted.)