



# Item 4.2.1 a - Minutes

## Audit and Risk Committee

**9.30 am, Friday 2 June 2017**

City Chambers, Edinburgh

### **Present:**

Angus McCann (Chair), Michael Ash, Councillor Ricky Henderson (Substitute), Robin Jones, Alex Joyce, Councillor Claire Miller (Substitute) and Ella Simpson.

**Officers:** Magnus Aitken (PwC), Sarah Bryson (Health and Social Care, CEC), Gavin King (Corporate Governance Manager, CEC), Michael Lavender (Audit Manager – Scott-Moncrieff), Ross Murray (Governance, CEC), Lesley Newdall (Chief Internal Auditor) and Moira Pringle (Interim Chief Finance Officer).

### **1. Welcome**

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Angus McCann welcomed Councillors Ricky Henderson and Councillor Claire Miller who had agreed to substitute as Council representatives in order to allow the Committee to meet its statutory requirements.

Magnus Aitken was also in attendance by invitation of the Chair to answer any questions on internal audit matters.

### **2. Minute**

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#### **Decision**

To approve the minute of 11 November 2016 as a correct record.

### 3. Outstanding Actions

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#### Decision

- 1) To agree the closure of actions 1, 2 and 3.
- 2) Lesley Newdall to prepare a statement highlighting the impact of the lack of audit resource for submission to the Joint Board.
- 3) Moira Pringle to liaise with the Chief Officer and report back on his intention with regard to filling the role of Chief Risk Officer.
- 4) To otherwise note the outstanding actions.

(Reference – Outstanding Actions – June 2017, submitted.)

### 4. Work Programme

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#### Decision

To note the Work Programme and upcoming reports.

(Reference – Audit and Risk Committee Work Programme – June 2017, submitted.)

### 5. Risk Register Update

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An update on the refresh of the risk register, including defined ownerships for each risk, was submitted.

#### Decision

- 1) To note the refreshed risk register and the process for ensuring all risks were captured and remained relevant.
- 2) To agree to receive the refreshed register at the Committee meeting in September 2017.
- 3) To incorporate a process for tracking the development of risks in future update reports.

(References – minute of Audit and Risk Committee 6 March 2017 (item 5); report by the Interim Chief Finance Officer, submitted.)

### 6. Internal Audit Update – June 2017

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The internal audit activity in the previous quarter on behalf of the Joint Board and relevant activity by the Internal Audit functions of the Joint Board's constituent organisations (City of Edinburgh Council and NHS Lothian) was detailed.

#### Decision

- 1) To note the Joint Board Internal Audit Activity identified within the Chief Internal Auditor's report and to note the areas of higher priority findings in the reviews highlighted.
- 2) To note the referrals of the Review of Data Integration & Sharing and Work Force Planning audits to the NHS Lothian Audit and Risk Committee and City of Edinburgh Council Governance, Risk and Best Value Committee for their consideration.
- 3) That overdue management actions continue to be included in future update reports.

(References – minute of the Audit and Risk Committee 6 March 2017 (item 6); report by the Chief Internal Auditor, submitted.)

## **7. Interim Internal Audit Annual Opinion – June 2017**

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An Interim Internal Audit Annual Report and Opinion for the Joint Board based on Internal Audit activity undertaken for the financial year ended 31 March 2017 was submitted.

An interim opinion was submitted as the 2016/17 Internal Audit Plan had not been fully completed and only limited assurance could be provided on the risks detailed within. A final opinion for the year would be prepared and presented once the plan was complete.

### **Decision**

To note the interim internal audit opinion for the year ended 31 March 2017.

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

## **8. Edinburgh Integration Joint Board – Unaudited Annual Accounts 2016/17**

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The Unaudited Annual Accounts for the Joint Board for 2016/17 were submitted. It was advised that accounts would be submitted to the Joint Board on 16 June 2017 before submission to external auditors.

### **Decision**

To note the draft financial statements and proposed timescale for completion.

(References – minute of the Audit and Risk Committee 1 July 2016 (item 4); report by Chief Internal Auditor, submitted.)

## **9. Internal Audit Plan 2017/18**

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The Internal Audit Plan for the period 1 April 2017 to 31 March 2018 was submitted. The Plan was risk based and derived from the Joint Board's Risk Register and Risk Map.

## **Decision**

- 1) To note the limited assurance resource available to the Joint Board.
- 2) To approve the proposed plan as making the best use of the limited assurance resource available to the Joint Board.

(References – minute of the Audit and Risk Committee 1 July 2016 (item 6); report by Chief Internal Auditor, submitted.)

## **10. Principles to govern the relationships between the Committee and the NHS Lothian Audit and Risk Committee, and the Committee and the City of Edinburgh Council Governance Risk and Best Value Committee**

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Five key principles to govern the relations between the Audit and Risk Committee and both the NHS Lothian Audit and Risk Committee and the City of Edinburgh Council Governance, Risk and Best Value Committee were submitted for approval.

## **Decision**

To approve the principles set out in the report by the Chief Internal Auditor to govern the relationship between the Committee, NHS Lothian Audit and Risk Committee and the City of Edinburgh Council Governance, Risk and Best Value Committee.

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

## **11. Reflections on the Previous year – Discussion Item**

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## **Decision**

- 1) To advise that the Joint Board schedule a Development Session exploring governance and links between Committees and Sub-Groups.
- 2) That Lesley Newdall circulate any required interim updates by way of email through the Chair.

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