



# Minutes

## IJB Audit and Assurance Committee

**10.00am, Tuesday 27 August 2019**

Room 1, Leith Community Treatment Centre, Edinburgh

**Present:**

Councillor Phil Doggart (Chair), Andrew Coull, Martin Hill and Peter Murray.

**Officers:** Laura Calder (Internal Audit), Nicola MacKenzie (Scott-Moncrieff), Jamie Macrae (Committee Services, CEC), Sally McGregor (PA to the Chief Finance Officer), Moira Pringle (Chief Finance Officer), Nick Smith (CEC – Head of Legal & Risk) and Cathy Wilson (CEC – ESHCP).

**Apologies:** Councillor George Gordon

### 1. Minutes

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**Decision**

To agree that the minute of the Audit and Risk Committee of 31 May 2019 would be circulated to the members of the foregoing Audit and Risk Committee prior to approval.

### 2. Outstanding Actions

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**Decision**

- 1) To agree to close Action 3 – Edinburgh Integration Joint Board Unaudited Annual Accounts for 2018/19 – and 4 – IJB Risk Register.

- 2) To agree that an update would be provided on Action 1 – Any Other Business – CRO – following discussion at the workshop in early September, and discussion with the Good Governance Institute.
  - 3) To otherwise note the outstanding actions.
- (Reference – Outstanding Actions, submitted.)

### 3. Work Programme

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#### Decision

- 1) To note that a new Work Programme for this committee was in development and would be submitted to the next meeting.
  - 2) To agree that Audit Terms of Reference would be submitted to the next meeting.
  - 3) To otherwise note the Work Programme and upcoming reports.
- (Reference – Audit and Risk Committee Work Programme, submitted.)

### 4. Training and Development of Members

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There was a discussion about training and development for members of the committee.

#### Decision

- 1) To note the verbal update.
- 2) To agree that a development session for all members would be arranged before the next meeting of committee.

### 5. Terms of Reference

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The draft Terms of Reference for the Audit and Assurance Committee were submitted. These had been reviewed slightly since they were submitted to the Joint Board, including removal of some parts that were specific to England.

There was some discussion about the procedure for scrutiny of audit reports. It was noted that Internal Audit would report to each meeting with an update, and that the Council's Governance, Risk and Best Value Committee would refer any audits that impacted on Edinburgh Health and Social Care Partnership services.

#### Decision

To agree that the Terms of Reference would be discussed at the development session and feedback included in the report back to the Joint Board.

(Reference – Terms of Reference, submitted.)

## 6. Internal Audit Update for the period 7 May 2019 to 15 August 2019

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Details were provided of progress of Internal Audit (IA) assurance activity on behalf of the Edinburgh Integration Joint Board (EIJB) performed by the EIJB's partners (the City of Edinburgh Council (the Council) and NHS Lothian (NHSL)) IA teams.

The report also presented extracts from the 2019/20 IA plans for both the Council and NHSL to enable the Committee to identify audits that would be of interest to the EIJB and request their referral to the Committee following scrutiny by the relevant partner governance forums (the Council's Governance, Risk, and Best Value (GRBV) Committee and the NHS Lothian (NHSL) Audit and Risk Committee).

Some concerns were raised about the procedure for raising concerns as part of the Committee's scrutiny and it was noted that audit should not be used as a proxy for effective risk management.

### Decision

- 1) To note the annual Internal Audit plans for the Council and NHS Lothian.
- 2) To note progress with delivery of the EIJB 2019/20 IA plan.
- 3) To note progress with implementation of agreed management actions to support closure of EIJB IA findings raised.
- 4) To note progress with ongoing discussions with NHSL in relation to Committee engagement Principles and the IA assurance approach.
- 5) To agree that reporting arrangements would be discussed and reviewed at the committee's development session.
- 6) To note the committee's concern that audit was being used as a proxy for effective risk management.
- 7) To defer any decision relating to the ongoing referral of audit findings to the next meeting, to allow a review of reporting arrangements to take place.

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

## 7. Internal Audit Annual Opinion 2018/19

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Internal Audit's annual opinion for the Edinburgh Integration Joint Board was submitted, for the year ended 31 March 2019.

The opinion concluded that significant enhancements were required to the Joint Board's control environment and governance and risk management frameworks and therefore reported a 'red' rated opinion. This assessment remained unchanged from the 2017/18 Internal Audit annual opinion reported to the Audit and Risk Committee in July 2018, though it noted some improvement.

The committee welcomed the work of the Internal Audit team but expected to see improvement in the Joint Board's performance.

### **Decision**

- 1) To note the final 'significant enhancements' red rated Internal Audit opinion for the year ended 31 March 2019.
- 2) To agree that the development session would review the completed IJB audits that formed the basis of the 2018/19 IA annual opinion.

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

## **8. Financial Systems Access Controls**

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The Council's Governance, Risk and Best Value Committee had referred the Financial Systems Access Controls Audit to the Audit and Assurance Committee for review and scrutiny, as the control weaknesses identified could potentially extend to the Health and Social Care Partnership.

### **Decision**

To note the update.

(Reference – report by the Chief Executive, submitted.)

## **9. Internal Audit - Quality, Governance and Regulation**

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The Council's Governance, Risk and Best Value Committee had referred the Quality, Governance and Regulation Audit to the Audit and Assurance Committee for review and scrutiny, as it related to regulated social work services to adults, children and young people. It was noted that the Chief Social Work Officer would be reporting the Joint Board soon.

### **Decision**

To note the update.

(Reference – report by the Chief Executive, submitted.)

## **10. IJB Records Management Plan**

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A verbal update was provided on the IJB Records Management Plan, which had been submitted to the Keeper of Records in December and a response had now been received but there had not been time to analyse this fully. The Keeper of Records had noted that a named person would have to be identified as an owner of the plan, and the Joint Board would need to decide whether to have a Business Classification Scheme. Officers expected meet with the Keeper of Records within the next few weeks.

## **Decision**

To note the verbal update and to agree to receive a briefing note following the meeting with the Keeper of Records.

## **11. IJB Risk Register**

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A verbal update on the IJB Risk Register was provided. The Risk Register was to be submitted to the next meeting of the Joint Board. There was a management workshop scheduled prior to this to review the Risk Registers for both the Joint Board and the Edinburgh Health and Social Care Partnership. There had been lots of work with NHS and Council risk teams, but it was noted that the IJB Risk Register was a high-level document. Officers had been developing controls and mitigating actions – these would not be included on the Risk Register, but could be included as hyperlinks.

## **Decision**

To note the verbal update.

## **12. Date of next meeting**

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Friday 8 November 2019.