

Governance, Risk and Best Value Committee

10.00am, Tuesday, 8 March 2022

Internal Audit: Principles to Underpin the Working Relationship between the Governance, Risk and Best Value Committee and the Edinburgh Integration Joint Board Audit and Assurance Committee

Item number

Executive/routine

Executive

Wards

Council Commitments

1. Recommendations

It is recommended that the Committee:

- 1.1. Approves the proposed Principles and supporting operational arrangements to formalise the established working relationship between the Committee and the Edinburgh Integration Joint Board (EIJB) Audit and Assurance Committee.
- 1.2. Ensure that the supporting operational arrangements are consistently applied following approval of the Principles.

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Internal Audit: Principles to Underpin the Working Relationship between the Governance, Risk and Best Value Committee and the Edinburgh Integration Joint Board Audit and Assurance Committee

2. Executive Summary

- 2.1 The Principles and supporting operational arrangements detailed in this paper have been designed to formalise the established working relationship between the GRBV and EIJB Audit and Assurance Committees.
- 2.2 The Principles are aligned with the established Principles that underpin the working relationships between NHS Lothian (NHSL) and the four Lothian Integration Joint Board (IJB) audit and risk / audit and assurance committees.
- 2.3 If consistently applied, the Principles should support effective communication between the committees; ongoing consistency and alignment of IA assurance provided to both the Council and the EIJB; and identification of areas of common interest for both committees.
- 2.4 The refreshed Principles were approved by the EIJB Audit and Assurance Committee at their meeting in February 2022.

3. Background

- 3.1 In April 2017, the NHS Lothian (NHSL) Audit and Risk Committee approved a set of principles (designed by NHSL with input from a range of stakeholders) to govern the relationships between the NHSL Audit and Risk Committee, and the audit and risk committees of the four Lothian integrated joint boards (IJBs)
- 3.2 The principles were subsequently approved by the Edinburgh Integration Joint Board (EIJB) Audit and Risk Committee (now the Audit and Assurance Committee) in June 2017.
- 3.3 To ensure consistency of governance arrangements, a set of principles were also designed by the Council to govern the relationship between the Governance, Risk, and Best Value Committee (GRBV) and the EIJB Audit and Assurance Committee. These principles were aligned with the principles designed by NHSL.

- 3.4 The proposed GRBV and EIJB principles were presented to the GRBV committee in June 2017, and were accepted subject to further confirmation on how elected members could best engage with the process.
- 3.5 It subsequently became apparent that there were some challenges with both the interpretation and application of the principles, and that a refresh was required. Consequently, the action to provide further confirmation on elected member engagement with the process was delayed until the principles were refreshed.
- 3.6 The principles have now been refreshed based on discussions between the NHSL Chief Internal Auditor (CIA) ; the four Lothian IJB CIA's; and the chairs of the NHSL and four Lothian IJB Audit and Risk or Audit and Assurance committees, and were approved by the NHSL Audit and Risk Committee and the EIJB Audit and Assurance Committee in November 2021.
- 3.7 A copy of the refreshed principles was also provided to GRBV in December 2021.
- 3.8 The Council's Chief Internal Auditor also performs the role of the Chief Internal Auditor for the EIJB under the terms of an established secondment arrangement.
- 3.9 Clerking services for the EIJB Audit and Assurance Committee are currently provided by the Council.
- 3.10 GRBV committee meeting minutes and papers are currently available on the Council's website.

4. Main report

- 4.1 A good working relationship has been established between the GRBV and EIJB Audit and Assurance committees, although arrangements supporting this ongoing relationship have not yet been formalised.
- 4.2 In line with the June 2017 paper, it is proposed that a set of principles is established to formalise the arrangements supporting the ongoing relationship between the GRBV and EIJB Audit and Assurance Committees.
- 4.3 These principles should align with three of the four refreshed NHSL and Lothian IJB principles approved in November 2021. The fourth principle is not considered relevant to as it details how the NHSL and respective Councils will work together to support delivery of IJB IA plans, including sharing both intelligence and IA resources.
- 4.4 The three proposed principles are detailed below, together with details of how these could be applied in practice:
 - 4.4.1 **Principle 1** - the GRBV and the EIJB Audit and Assurance Committee will have an effective working relationship to take forward matters of common interest.
 - The GRBV and EIJB Audit and Assurance Committee Convenors will meet with the Chief Internal Auditor for both organisations every six months to identify potential areas of common interest for inclusion in IA

annual plans, or discuss relevant common themes from IA reports that may be reflected in the annual opinions of both organisations.

- The outcomes of these meetings will be discussed at subsequent GRBV and EIJB Audit and Assurance committee meetings.
- GRBV and EIJB Audit and Assurance committee meeting minutes will be made available to the members of both committees.

4.4.2 **Principle 2** – to support the efficient conduct of business, there is a clear communication process from the GRBV to the EIJB Audit and Assurance Committee and vice versa.

- If either the GRBV or EIJB Audit and Assurance Committee wishes to raise a matter directly with the other Committee, the clerk of the committee raising the request will communicate the request to the clerk of the other committee, with support (as required) from the relevant committee convenor and officers.
- Meetings between the convenors of both committees will be held to discuss the request (as required).
- Officers may also be requested to attend the meeting with convenors (as required).
- Final responses will be provided to the clerks of both Committees and included in the agenda of subsequent committee meetings.

4.4.3 **Principle 3** – relevant Council Internal Audit reports will be available to the EIJB Audit and Assurance Committee and vice versa.

- The outcomes of relevant completed IA reports for both the Council and EIJB will be referred (for information) between the committees following initial scrutiny by the relevant committee.
- Reports detailing progress with implementation of relevant IA findings and associated agreed management actions will also be referred between the committees for information following initial scrutiny by the relevant committee.
- The IA annual opinion for both the Council and EIJB will be informed (where appropriate) by any relevant IA audit outcomes for the other organisation.
- Relevant IA reports for inclusion in the referral process will be identified by the Chief Internal Auditor.

4.5 The refreshed Principles were approved by the EIJB Audit and Assurance Committee at their meeting in February 2022.

5. Next Steps

- 5.1 Following approval by the GRBV Committee, the EIJB Audit and Assurance Committee will be advised that the Principles have been approved by both committees.
- 5.2 The Chief Internal Auditor for both organisations will be responsible for ensuring that the Principles are consistently applied in practice.

6. Financial impact

- 6.1 There are no financial impacts for either the Council or EIJB associated with this paper.

7. Stakeholder/Community Impact

- 7.1 Application of the Principles should result in more effective alignment of IA assurance provided to both the Council and the EIJB.

8. Background reading/external references

- 8.1 [Integration Joint Board – Principles to Underpin the Working Relationships Between Lothian NHS and IJBs - item 8.14](#)

9. Appendices

- 9.1 None.