

Minutes

IJB Audit and Assurance Committee

3.00pm, Wednesday 31 August 2022

Virtual Meeting, Microsoft Teams

Present:

Peter Murray (Chair), Councillor Euan Davidson, Elizabeth Gordon, Grant Macrae and Councillor Claire Miller.

Officers: Matthew Brass (Clerk), Laura Calder (Internal Audit), Gavin Cluckie (Internal Audit), Helen Elder (Executive Assistant), Nicola MacKenzie (External Audit – Azets), Moira Pringle (Chief Finance Officer), Donald Scott (Assurance Officer)

Apologies: Kirsten Hey

1. Training and Induction Discussion

Members were offered an induction session into the Committee and into audit from Internal Audit and the Chief Finance Officer.

2. Minutes

The minute of the Audit and Assurance Committee of the 18 February 2022 was presented for approval as a correct record.

Decision

To approve the minute of 18 February 2022 as a correct record.

3. Annual Cycle of Business

The annual cycle of business was presented.

Decision

To agree the updated Annual Cycle of Business attached as an appendix.
(Reference – Annual Cycle of Business, submitted)

4. Outstanding Actions

The outstanding actions updated to August 2022 were presented to committee.

Decision

To note the remaining outstanding actions.

(Reference – Outstanding Actions, submitted)

5. Edinburgh Integration Joint Board Unaudited Annual Accounts 2021-22

The Edinburgh Integration Joint Board's (EIJB) 2021/22 unaudited annual accounts were presented to the Committee for scrutiny.

Members posed questions on the risk register contained within the report, with specific reference to Risk 3.3 and why the RAG status had remained at 'high' from September 2021 to February 2022. Although there were many contributors, officers concluded that the failure to appoint a Chief Risk Officer was a crucial contributory of the position, however, an up-to-date position on the Risk – and all Risks – would be presented within the final accounts at the next meeting.

Members also requested that a 'journey to green' be presented alongside the risks which detailed the planned steps and actions to accomplish the risks' target ratings. Officers noted that the level of detail was being worked towards, and would be more apparent when the Register was presented in more detail out with the Accounts.

Decision

- 1) To consider the draft financial statements submitted.
- 2) To note the proposed timescale for completion.

Note:

- 3) To amend the date to 2022 on p32.
- 4) To revise the wording on p33-p34 for clarity on the year position against the accumulative position.
- 5) To ensure reference to the Integration Scheme is included in the Annual Governance Statement.

(Reference – Report by the Chief Finance Officer, Edinburgh Integration Joint Board, submitted)

6. Internal Audit Annual Opinion 2021-22

Internal Audit's (IA) annual opinion for the EIJB for 2021-22 was presented. An amber position was presented, which reflected some improvement required. Although this rating was the same rating as the previous year, Internal Audit noted an improvement from the top end of amber as seen in 2020-21 to a position moving more towards green.

Members were encouraged by the improvement in the overall position, however questions arose on the accepted risks and how these would be monitored and progressed. Although the process was in the early stages, officers noted that a risk-acceptance register could be presented and future Committee meetings, and IA could monitor these through validation audits. Any new risk acceptance instances would also be presented by IA.

Concerns also arose on the number of agreed management actions that were overdue, with no updates attached. Members were assured that an up-to-date position would be considered in the quarterly update at the next Committee meeting.

Further, the challenge of recruiting a Chief Risk Officer was noted to be of concern. The efforts of the previous Chair of the EIJB and Chair of Audit and Assurance were acknowledged, but with no response from the NHS Lothian Chief Executive, members agreed to resume efforts to fill the vacancy.

Decision

- 1) To note the final 'amber' rated IA opinion for the year ended 31 March 2022, and the improvement in comparison to previous years.
- 2) To review and scrutinise the outcomes of the audit of 'Risk Management and Board Rotation & Induction' audit completed in April 2022 to support the annual opinion (Appendix 9).
- 3) To request the Chair of the EIJB writes to the Chief Executive of NHS Lothian and of the City of Edinburgh Council to highlight the risks of having the statutory Chief Risk Officer post vacant and request support in the fulfilment of the position.
- 4) To present a proposal back to the Committee on how accepted risks could be monitored and progressed.

(Reference – Report by the Chief Internal Auditor, City of Edinburgh Council, submitted)

7. Internal Audit Charter 2022-23

Approval was sought for the Internal Audit Charter for 2022-23. Members were assured that if any updates to the Charter were needed, these would be done in line with national guidance and standards.

Decision

- 1) To review, approve and sign the refreshed 2022/23 IA Charter.
- 2) To refer the approved Charter to both the Council's Governance, Risk and Best Value Committee, and the NHS Lothian Audit and Assurance Committee, with a request that it is signed by the Convenor's of the respective Committees to confirm that both partner organisations will support delivery of the 2022/23 EIJB IA annual plan and opinion in line with the authority delegated by the EIJB to IA.

(Reference – Report by the Senior Audit Manager, City of Edinburgh Council, submitted)

8. Internal Audit Annual Plan 2022-23

Approval was sought for the Internal Audit Annual Plan for 2022-23. The Plan had been reduced from three audits to two as a result of the wide coverage of last year's work which covered the majority of EIJB risks.

Members were supportive of the plan to reduce the number of audits from three to two, however, questioned whether a third audit should be carried out on the proposed National Care Service.

Further, members questioned whether there were any areas not included in the Plan that officers would like to include, if budgeting allowed, for example, cyber security. Officers assured members that any areas of interest that were not included in the Plan, but were picked up through partner audits, could be presented to the Committee.

Decision

- 1) To review and approve the 2022/23 Internal Audit Plan and supporting risk assessment.
- 2) To note the costs (circa £50k) associated with delivery of IA services by the Council to the EIJB (further detail is included at paragraph 11 below).
- 3) To refer the approved EIJB IA plan to both the Council's Governance, Risk and Best Value Committee and the NHS Lothian Audit and Assurance Committee for information.
- 4) To present a briefing paper to the December Committee to give an informal position on a third audit into the National Care Service.

(Reference – Report by the Senior Audit Manager, City of Edinburgh Council, submitted)

9. Date of Next Meeting

The date of the next meeting was noted to be Tuesday, 20 September 2022.

