



Minute

IJB Audit and Assurance Committee

10.00am, Wednesday 13 September 2023

Held remotely by video conference

Present:

Members

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

Officers

Lesley Birrell and Jacqueline Boyle (Committee Services), Laura Calder (Head of Internal Audit), Michael Oliphant (Audit Scotland), Moira Pringle (Chief Finance Officer) and Donald Scott (Assurance Officer).

Apologies

Kirsten Hey.

1. Declaration of Interest

Decision

None.

2. Minute

Decision

To approve the minute of the Audit and Assurance Committee of 8 June 2023 as a correct record.

3. Annual Cycle of Business

The updated annual cycle of business was submitted. Members noted that, in order to streamline the annual cycle of business going forward, it was proposed to present a governance report to the Audit and Assurance Committee annually in June (aligning with the annual accounts presentation) which would cover all activity that the EIJB was required to undertake as a public body.

The following items would be included in the annual report:

- Policy/Procedure Review of all work related to fraud and corruption in line with requirements of NHS Scotland Counter Fraud Services.
- Assess the effectiveness of Counter Fraud services once every five years.
- Review registers relating to the Standards of Business Conduct Policy and consider any breaches and action taken.
- Review every decision by the Integration Joint Board to suspend their respective Standing Orders.

Decision

- 1) To approve the annual cycle of business.
- 2) To approve the proposal that a governance report be submitted on an annual basis to the Audit and Assurance Committee as described above.

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

4. Internal Audit Annual Report and Opinion 2022/23

The 2022/23 Internal Audit Annual Report provided the Audit and Assurance Committee with a summary of internal audit activity and performance during 2022/23. The internal audit annual opinion was contained in the annual report and concluded that “reasonable assurance” could be placed on the overall adequacy and effectiveness of the Edinburgh Integration Joint Board’s (EIJB) governance, risk management and internal control systems for the year ended 31 March 2023.

A number of issues had been identified during the course of the audit work, areas of non-compliance and/or scope for improvement throughout the year which, individually, did not significantly impair the EIJB’s system of internal control but could put at risk the achievement of the EIJB objectives if corrective actions were not adequately addressed.

The opinion also considered the results of other assurance activities performed during the year specifically referencing the two inspections which had been undertaken by the Care Inspectorate across areas of health and social care services provided in Edinburgh with a range of areas of improvement highlighted.

Decision

- 1) To note the 2022/23 Internal Audit Annual Report.
- 2) To note the annual opinion on the adequacy of the EIJB's governance, risk management and internal control systems.
- 3) To note the report would be referred to the City of Edinburgh Council and NHS Lothian for review and consideration.
- 4) To note that risk acceptance was monitored on a six-monthly basis as part of the EIJB's risk register.
- 5) To request that more detailed explanatory information be provided in future reporting around partial risk acceptance and the full business impact assessments when management actions were re-dated.
- 6) To acknowledge the significant work being undertaken by staff to address the internal audit actions.

(Reference - report by the Head of Internal Audit, City of Edinburgh Council, submitted)

5. Committees' Annual Assurance Report

The following EIJB Committee assurance statements were presented for scrutiny (Clinical and Care Governance Committee, Performance and Delivery Committee, Strategic Planning Group and Audit and Assurance Committee).

Members noted that monitoring of implementation and progress of the proposed outcomes would be undertaken by each Committee and reported back through the Audit and Assurance Committee.

Members also requested that officers give consideration to aligning audit and assurance terminology going forward to ensure consistency and transparency of reporting.

Decision

- 1) To note the moderate assurance following the review of the committee assurance statements which were stored in the City of Edinburgh Council and NHS Lothian Teams site for interest.
- 2) To note there had been no suspension of the standing orders in 2022/23.
- 3) To note no breaches of the code of conduct had been recorded for 2022/23.
- 4) To note the due date for recruitment of the Chief Risk Officer was December 2023.
- 5) To request that an appendix be added to the report prior to submission to the Edinburgh Integration Joint Board setting out definitions of assurance levels for the purposes of clarification.

- 6) To note the ongoing work with internal audit to align audit and assurance terminology used by the City of Edinburgh Council and NHS Lothian and that a paper detailing this work would be brought to the Audit and Assurance Committee for consideration at its next meeting scheduled for 13 December 2023.
- 7) To note that the Chief Finance Officer would revisit the committees' assurance returns and feedback on any further emerging themes, improvements or actions required.
- 8) To refer the report to the Edinburgh Integration Joint Board.

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

6. EIJB 2022-23 Annual Accounts Audit and Opinion

The External Auditor presented a summary of significant matters which had arisen from the 2022/23 annual audit of Edinburgh Integration Joint Board's (EIJB) annual accounts.

The scope of the audit had been set out in the annual audit plan presented to the meeting of the Audit and Assurance Committee on 20 March 2023 and the external audit opinions on the annual accounts were unmodified.

Significant findings and key audit matters were highlighted together with details of the associated agreed management actions.

Decision

To note the report.

(Reference - report by Audit Scotland, External Auditor, submitted)

7. Edinburgh Integration Joint Board Audited Annual Accounts 2022/23

The audited 2022/23 annual accounts for Edinburgh Integration Joint Board were presented for scrutiny by the Audit and Assurance Committee.

As a result of the external audit, some disclosure adjustments had been recommended and these had been reflected in the financial statements which were attached as an appendix to the report by the Chief Finance Officer. These reflected the following minor changes to incorporate information which was not available at the time the unaudited accounts were drafted:

- Update on the strategic plan as agreed by the Strategic Planning Group in August now reflected in the management commentary.
- Management commentary updated in line with the recently published annual performance report.
- An amendment to the governance statement to reflect the internal audit opinion.

Decision

- 1) To amend the Councillor Miller's date of appointment to the EIJB from 26 May 2022 to 30 June 2022.
- 2) To recommend that the Edinburgh Integration Joint Board approve and adopt the audited annual accounts for 2022/23.

(Reference - report by the Chief Finance Officer, Edinburgh Integration Joint Board, submitted)

8. Edinburgh Integration Joint Board Risk Register

The latest iteration of the Edinburgh Integration Joint Board (EIJB) risk register was submitted.

Work was ongoing developing the rationale for target risks and how these could be achieved or delivered and what additional controls needed to be put in place to reduce the risks. This would also identify where there were requirements on the partners.

Members noted the significant improvement in reporting risk and that the risk register was also reported to the EIJB every six months, recognising that ownership of risk was the responsibility of all Board members.

Decision

- 1) To note the risk appetite statement and risk explanations for likelihood and consequences which had been developed with risk owners attached at appendices 1 and 2 of the report.
- 2) To note that the risk cards were reviewed by the Executive Management Team in August 2023.
- 3) To agree the risk overview, assurance levels and risk cards at appendices 3, 4 and 5 of the report, acknowledging that work continued to strengthen and improve the narrative and evidence base contained within the risk cards.
- 4) To agree that risk 3.3 was a cause of risk 1.1 and that the relevant detail from risk 3.3 had been subsumed into risk card 3.1.
- 5) To note progress to date in relation to recruitment to the Chief Risk Officer.
- 6) To agree that the Chief Finance Officer and the Operations Manager would continue to embed the EIJB risk process.
- 7) To agree to hold a Development Session on risk management for Audit and Assurance Committee and all EIJB members to ensure all members were clear on their role and responsibility for risk management and to further refine the process.

(Reference - report by the Chief Finance Officer, Edinburgh Integration Joint Board, submitted)

9. Internal Audit: Open and Overdue Internal Audit Actions – Performance Dashboard as at 22 June 2023 – referral from the City of Edinburgh Council Governance, Risk and Best Value Committee

The Council's Governance, Risk and Best Value Committee had referred a report by the Head of Internal Audit detailing progress being made towards implementing open and overdue management actions and key performance indicators to the Audit and Assurance Committee for information in relation to the current Health and Social Care Partnership position.

Decision

To note the report.

(Reference – referral report from the City of Edinburgh Council Governance, Risk and Best Value Committee 1 August 2023, submitted)

10. Outstanding Actions

The outstanding actions updated to September 2023 were presented to committee.

Decision

To agree to close Actions 1(1) and (2) – EIJB Risk Register and Action 2 – Internal Audit Update.

(Reference - Outstanding Actions, September 2023, submitted)

11. Date of Next Meeting

Wednesday 13 December 2023 at 10am by Teams.