

## **FALKIRK INTEGRATION JOINT BOARD**

**Minute of Meeting of the Falkirk Integration Joint Board's Audit Committee held in the Municipal Buildings, Falkirk on Monday 27 February 2017 at 10.30 a.m.**

**Voting Members:**

Linda Gow  
James King (Chairperson)

**Non-voting Members:**

Tom Hart, Staff Representative, NHS Forth Valley  
Karen Herbert, Third Sector Interface

**Officers:**

Patricia Cassidy, Chief Officer  
Jack Frawley, Committee Services Officer, Falkirk Council  
Jocelyn Lyall, Acting Regional Audit Manager, NHS Forth Valley  
Colin Moodie, Depute Chief Governance Officer, Falkirk Council  
Ewan Murray, Chief Finance Officer

**Also Attending**

Rob Jones, Ernst & Young  
Stephen Reid, Ernst & Young

**AC9. Apologies**

No apologies were intimated.

**AC10. Declarations of Interest**

There were no declarations of interest.

**AC11. Minute**

**Decision**

**The minute of Meeting of the Audit Committee held on 22 September 2016 was approved.**

The committee agreed to vary the order of business and to combine consideration of the following two items.

#### **AC12. Membership of the Integration Joint Board**

The committee was provided with a verbal update by the Chief Finance Officer. He highlighted that the membership of the Integration Joint Board would change in light of the Local Government elections in May 2017 and that the current Chair of the committee would be retiring at the end of March. Due to these changes the committee was advised that it would be best to defer decisions on meeting dates until the membership of the committee had been confirmed after the election.

##### **Decision**

**The Audit committee noted the position in relation to membership.**

#### **AC13. 2017/18 Meeting Schedule**

The committee was provided with a verbal update by the Chief Finance Officer.

##### **Decision**

**The committee noted the position in relation to the 2017/18 meeting schedule.**

#### **AC14. Update on Annual Accounts Planning and Year End Assurance**

The committee was provided with a verbal update by the Chief Finance Officer. He advised that the external audit plans for each partnership would be submitted to the relevant committees and that the timescales for this were yet to be agreed. The process for assurance was to be carried out with the constituent organisations. Ewan Murray had spoken to colleagues at a national level and lessons learned from other partnerships would influence practice here. There would be an update report to the special meeting of the IJB in March 2017.

##### **Decision**

**The Audit committee noted the update.**

#### **AC15. Annual Audit Plan**

The committee considered a report by the Chief Finance Officer which provided as an appendix the Falkirk Integration Joint Board Annual Audit Plan. The plan summarised the planned audit activity, audit approach and audit issues and risks including the responsibilities of the appointed auditor and Chief Finance Officer. Ewan Murray and Stephen Reid provided an overview of the report.

The committee discussed that Ernst and Young were also the external auditors for Falkirk Council and asked how they would link to the Health

Board. Stephen Reid stated that discussions were at an early stage but that this was a national issue replicated in some other partnerships.

### **Decision**

**The Audit committee:-**

- (1) approved the Annual Audit Plan for 2016/17; and**
- (2) delegated authority to the Chief Officer, taking advice from the IJB Chief Finance Officer, Falkirk Council Chief Finance Officer and NHS Forth Valley Director of Finance, to agree the Audit Fee when audit planning work is complete.**

Councillor Gow entered the meeting during consideration of the following item.

#### **AC16. Governance Action Plan**

The committee considered a report by the Chief Finance Officer which provided as an appendix a governance action plan. A scheme of delegation would be submitted to the special meeting of the IJB in March 2017. Ewan Murray provided an overview of the report.

### **Decision**

**The Audit committee noted the Governance Action Plan attached as Appendix 1 to the report.**

#### **AC17. Internal Audit Progress Report**

The committee considered a report by the Chief Internal Auditor which provided an update on the progress of the 2016/17 internal audit plan. Information was provided on audits where formal reports had been produced and where no formal report was produced. A year end summary would be provided to the next meeting of the committee. Jocelyn Lyall provided an overview of the report.

The committee discussed if 15 days of provision from the Council and Health Board was sufficient to undertake internal audit duties. Jocelyn Lyall advised that there had been a learning curve and that the actual amount of time spent on the IJB was approximately 40 to 45 days in total. In the plan for 2017/18 an increase in days was sought.

### **Decision**

**The Audit committee:-**

- (1) noted the progress on the 2016/17 internal audit plan; and**
- (2) approved the proposed amendment to the 2016/17 plan.**

## **AC18. Review of Financial Regulations and Reserves Policy**

The committee considered a report by the Chief Finance Officer which provided as appendices Financial Regulations and a Reserves Policy and Strategy. The IJB had adopted its financial regulations on 24 March 2016 and an initial reserves policy and strategy on 5 February 2016. Ewan Murray provided an overview of the report.

The committee asked if a reserves level of 0.75% of budget was standard. Ewan Murray advised that most partnerships were around that level with some variance. Councils targeted a similar level of reserves. It was not anticipated that the IJB would hold significant reserves rather these would be used to manage unexpected pressures and the transition between financial years. Nationally discussions were ongoing regarding the holding of reserves by Health Boards.

### **Decision**

#### **The Audit Committee:-**

- (1) noted that the Chief Finance Officer had performed a review of the Integration Joint Boards Financial Regulations in light of experience to date and did not consider that any substantive changes are required at this point in time.**
- (2) recommended the Reserves Policy and Strategy in the report for approval by the Integration Joint Board in line with 2017/18 budget setting.**
- (3) noted that that it was good practice that the Financial Regulations and Reserves Policy were reviewed periodically and approved a further review no later than March 2018.**

## **AC19. Self Assessments in Relation to National Audit Scotland reports on Health & Social Care Integration**

The committee considered a report by the Chief Finance Officer which provided information on four Audit Scotland report which directly related to Health and Social Care Partnerships:-

- Health and Social Care Integration
- Changing Models of Health and Social Care
- Social Work in Scotland
- NHS in Scotland.

Ewan Murray provided an overview of the report.

The committee asked when future reports would be presented to the committee and IJB. Ewan Murray advised that future reports would be brought to the committee as appropriate.

## **Decision**

**The Audit committee noted:-**

- (1) the self assessments appended within the Audit Scotland reports on Health and Social Care Integration and Changing Models of Health and Social Care in relation to the key recommendations;**
- (2) the key recommendations from the reports on Social Work in Scotland and NHS in Scotland as they related to the Falkirk Health and Social Partnership will be considered in conjunction with delivery planning for the Health and Social Care Partnership. It was intended to bring a further report on these to the next Audit Committee meeting, and**
- (3) to refer the report to a future meeting of the Integration Joint Board.**