

FALKIRK INTEGRATION JOINT BOARD

Draft Minute of Meeting of the Falkirk Integration Joint Board's Audit Committee held on Wednesday 13 September 2017 at 9.30am in Room 6, Learning Centre, Forth Valley Royal Hospital.

Voting Members: Fiona Collie (Chairperson)
Alex Linkston

Non-voting Members: Tom Hart, Staff Representative, NHS Forth Valley
Karen Herbert, Third Sector Interface

In Attendance: Patricia Cassidy, Chief Officer
Amanda Templeman, Chief Finance Officer
Jocelyn Lyall, Acting Regional Audit Manager, NHS Forth Valley

Keith McPherson, Ernst & Young
Sonia Kavanagh, NHS Forth Valley (minute)

AC26. Apologies

Apologies were intimated on behalf of Sara Lacey, Chief Social Work Officer, Falkirk Council, Tony Gaskin, Chief Internal Auditor, NHS Forth Valley and Elaine Vanhegan, Head of Performance and Governance, NHS Forth Valley.

AC27. Declarations of Interest

There were no declarations of interest.

AC28. Minute of the IJB Audit Committee Meeting Held on 4 August 2017

Decision

The minute of the Audit Committee Meeting held on 4 August 2017 was approved subject to the following amendment:

AC20, Non-Voting Members: Apologies had been sent by Karen Herbert

AC29. 2016/17 Annual Audit Report

The Audit Committee considered a paper '2016/17 Annual Audit Report to the Integration Joint Board and the Controller of Audit' presented by the Chief Finance Officer.

Ms Templeman highlighted that the Annual Audit Report for year ended 31 March 2017 had been undertaken by Ernst and Young, the IJB's appointed auditors. She also noted her thanks to Mr Ewan Murray for his contribution during the audit process.

Following the audit there had been no significant changes made to the Annual Accounts, with no adjusted or unadjusted audit differences arising and no material issues or unusual transactions found. There were a number of improvement actions identified as part of the wider scope audit work and these had been agreed with the Chief Officer and Chief Finance Officer.

Mr McPherson provided a brief overview of the detail within the Executive Summary of the Annual Audit Report, incorporating the scope and responsibilities of both the IJB and auditor and the judgement/conclusions regarding the IJB's arrangements.

The action plan provided detail of the six actions raised, three of which were classed as Grade 1 and required urgent focus and resolution. These included the use/review of directions, financial planning and sustainability and the transparency of Audit Committee meetings.

Mr Linkston noted the comprehensive report. However, he highlighted that to achieve improved and sustainable services the accountability and delivery requirements of the IJB should be determined rather than reconsidering directions. The Audit Committee discussed the need for directions to be used appropriately and effectively as the role of the IJB developed. Ms Cassidy also highlighted the need to provide assurance of the IJB's impact at a time of significant challenge with focus on the management of core business requirements.

The Audit Committee agreed partnership working and synergy was vital to ensure the efficient and effective delivery of desired outcomes.

Decision

The Audit Committee:

- 1. Noted the contents of the report and the completed action plan at appendix one**

AC30. Falkirk Integration Joint Board Audited Annual Accounts 2016/17

The Audit Committee considered a paper 'Falkirk IJB Annual Accounts 2016/17' presented by the Chief Finance Officer.

Ms Templeman presented the Audited Accounts of the Falkirk IJB for the year ended 31 March 2017 which were free from qualification. She also highlighted that as the accounts evolved over time further amendments to the accounts presentation may be necessary.

In response to a question from Cllr Collie regarding the challenges in delivering savings faced by NHS Forth Valley, Ms Templeman explained these had been exacerbated with additional spends due to complex care and prescribing costs. Further details would be provided at the next IJB meeting.

The Audit Committee discussed the impact of such savings on the IJB and the need for future planning, gaining collective agreement on how to meet the financial and demand pressures ahead. A whole system approach was vital

and it was agreed through collaborative working and forward planning improved outcomes for people could be achieved.

Decision

The Audit Committee:

- 1. Considered and approved the Audited Annual Accounts of the Falkirk IJB to 31 March 2017, prior to consideration by the IJB.**

AC31. Governance Action Plan

The Audit Committee considered a paper 'Governance Action Plan' presented by the Chief Finance Officer.

Ms Templeman provided a brief overview of the Governance Action Plan for the Falkirk IJB which incorporated the findings from the Chief Internal Auditor's 2016/17 Annual Internal Audit Report and from the self-assessment work undertaken.

The Governance Action Plan set out the timetable for implementing the recommendations made, with further work required to update the action plan with management responses, responsible officers and timescales. It was proposed that a six-monthly progress report would be presented to the Audit Committee and this would be monitored to ensure the recommendations were implemented appropriately and on schedule.

The Audit Committee discussed the actions and objectives involved and the importance of determining robust operational and accountable responsibilities.

Decision

The Audit Committee:

- 1. Noted the Governance Action Plan attached as Appendix 1 to the report**
- 2. Approved the monitoring arrangements for the Governance Action Plan as set out in section 4 of the report**
- 3. Noted that a completed Action Plan would be presented to the next meeting of the Audit Committee**

AC32. 2017/18 Internal Audit Plan

The Audit Committee considered a paper '2017/18 Internal Audit Plan' presented by the Internal Auditor.

Ms Lyall provided a brief overview of the mapping process, benchmarking and audited areas involved. Due to the emerging nature of the IJB, including the continuing development/understanding of the control and risk environment involved and the organisation's changing needs, the development of a 3 year plan was not appropriate at this time. The discretionary elements of the plan had therefore focussed on Falkirk IJB's Strategic Risk Register with the professional views of the Chief Officer, Chief Finance Officer and both Chief Internal Auditors included in the individual topics.

An Internal Audit Joint Working Protocol had been agreed by the Internal Auditors of both parties as had the draft protocol for sharing Internal Audit Outputs which would be presented at the next Audit Committee meeting.

Decision

The Audit Committee:

- 1. Approved the 2017/18 Annual Plan**

AC33. Indicative Workplan for Audit Committee

The Audit Committee considered a paper 'Indicative Workplan for Audit Committee' presented by the Chief Finance Officer.

Ms Templeman provided a proposed 2018 workplan for the Audit Committee, noting that due to emerging pressures and priorities this may be subject to change. The four meetings planned would take place in March, June, September and December and details of dates would follow in due course.

In response to a question from Mr McPherson regarding the timing of the Audit Plan to be presented to the Audit Committee, Ms Templeman explained that although the workplan details had been discussed with Internal Audit this would be considered further and the date would be amended as necessary.

Decision

The Audit Committee:

- 1. Noted the indicative work plan**
- 2. Noted that dates would shortly be identified for a meeting in December 2017 and for meetings during 2018**

AC34. There being no other competent business, the Chair closed the meeting