

## AGENDA ITEM

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## **FALKIRK INTEGRATION JOINT BOARD**

**Draft Minute of Meeting of the Falkirk Integration Joint Board's Audit Committee held on Monday 25 June 2018 at 9am in the Committee Suites, Municipal Buildings, Falkirk.**

**Voting Members:** Fiona Collie (Chairperson)  
Alex Linkston

**Non-voting Members:** Apologies received as per AC53.

**In Attendance:**  
Patricia Cassidy, Chief Officer  
Amanda Templeman, Chief Finance Officer  
Sara Lacey, Chief Social Work Officer  
Tony Gaskin, Chief Internal Auditor  
Stephen Reid, Ernst & Young  
Rob Jones, Ernst & Young  
Sonia Kavanagh, NHS Forth Valley (minute)

### **AC53. Apologies**

Apologies were intimated on behalf of Robert Clark.

Councillor Collie noted that although Ms Herbert was not present she was due to retire in July 2018. The Audit Committee acknowledged her valuable contribution.

### **AC54. Declarations of Interest**

There were no declarations of interest.

### **AC55. Minute of the IJB Audit Committee Meeting Held on 16 March 2018**

#### **Decision**

**The minute of the Audit Committee Meeting held on 16 March 2018 was approved.**

### **AC56. Falkirk IJB 2017/18 Unaudited Annual Accounts**

The Audit Committee considered a paper 'Falkirk IJB 2017/18 Unaudited Accounts' presented by the Chief Finance Officer.

Ms Templeman presented the unaudited annual accounts for 2017/18 and provided the timetable for public inspection and publication arrangements.

The requirements, as prescribed in legislation, for the management commentary were outlined to provide clear and uncluttered information reflecting true and fair accounts. The annual governance statement detailed the key elements of the IJB's governance framework, setting out the actions required to address weakness or emerging issues within the framework.

Mr Linkston raised a concern regarding the section entitled Operational Structure within the management commentary and the reference to risk to the IJB. Mr Linkston expressed the view that this reflected opinion rather than fact and noted that he could not agree with the risk as stated. Ms Templeman noted that the Chair of the IJB had reviewed the management commentary prior to publication but confirmed that the content could still be reviewed and updated where necessary, during the audit process.

## **Decision**

### **The Audit Committee:**

- 1. Considered the unaudited annual accounts**
- 2. Noted the public inspection period**
- 3. Noted that the unaudited annual accounts would be submitted to the IJB's External Auditor by the statutory deadline of 30 June 2018**

## **AC57. Risk Management Arrangements**

The Audit Committee considered a paper 'Risk Management Arrangements' presented by the Chief Officer.

Ms Cassidy provided an update on the support arrangements for risk management administration following the emerging issues highlighted at the previous meeting.

Following a change in personnel, NHS Forth Valley had identified their risk management support. It was proposed that this resource, along with the assistance from Falkirk Council through their Corporate Risk Co-ordinator would assist the Chief Officer with details of the new arrangements to be finalised soon. However, it was noted that it was not yet clear if these arrangements would be sufficient to support the Chief Officer to fulfil the IJB risk management responsibilities.

The Audit Committee discussed the need for appropriate support and assurance with a risk register that linked to and highlighted potential areas of impact from both partner's.

## **Decision**

### **The Audit Committee:**

- 1. Noted the arrangements for risk management were under discussion and almost finalised**
- 2. Agreed that the Internal Audit service use time previously allocated for a risk management review to provide consultancy for a refresh of the risk management arrangements**

#### **AC58. IJB Risk Register**

The Audit Committee considered a paper 'IJB Risk Register' presented by the Chief Officer.

Ms Cassidy provided the refreshed Risk Register for consideration, highlighting that it had been updated and agreed by the Leadership Group on 4 April 2018.

The Risk Register would continue to be reviewed to ensure identification of possible risks associated with the transfer of operational responsibilities for NHS services. In addition, both partners monitored their corporate and operational risks and escalated those within the IJB's responsibility to the Chief Officer and IJB Audit Committee as necessary.

In response to a question from Cllr Collie regarding Risk number 2, Ms Cassidy confirmed that further information regarding the next stages of the Carers Act would be included. The Audit Committee also discussed the need to fully understand the opportunities around a Clinical Portal.

#### **Decision**

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

- 1. Approved the IJB Register at Appendix 1 of the report**
- 2. Agreed that the IJB Risk Register would be reviewed as part of the wider risk management review that would include advice from the Internal Audit service**

#### **AC59. Internal Audit Progress Report**

The Audit Committee considered a paper 'Internal Audit Progress Report' presented by the Chief Internal Auditor.

Mr Gaskin advised that work was progressing well with the 2017/18 internal audit plan, with the scope and status of the various audits outlined. A high level summary of NHS Forth Valley internal audit report which related to the IJB was also provided.

#### **Decision**

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

- 1. Noted the progress on the 2017/18 internal audit plan set out in Appendix A**
- 2. Noted the summary of relevant NHS Forth Valley internal audit reports relevant to the IJB, set out in Appendix B. There were no relevant Falkirk Council reports**
- 3. Noted that work on FK03-19 – 2017/18 Annual report was in progress. It was anticipated that a report would be issued by the end of June 2018 and would therefore be available to the External Auditors in early July 2018**

#### **AC60. Internal Audit Plan 2018/19**

The Audit Committee considered a paper 'Internal Audit Plan 2018/19' presented by the Chief Internal Auditor.

Mr Gaskin outlined the proposed Internal Audit Plan for 2018/19. Similar to 2017/18, the discretionary elements of this plan would be focused around the Falkirk IJB's Strategic Risk Register, with individual topics also informed by the professional views of the Chief Officer, Chief Finance Officer and the Chief Internal Auditors of both parties. He noted that with the review of the Risk Register there would be flexibility within the audit plan to include relevant audits from the partners' plans and any pertinent issues would be highlighted to the Audit Committee.

The Audit Committee discussed the program of internal audit, with clear lines of responsibilities and assurance provided from both partners as well and the need to reduce any unnecessary duplications/omissions.

#### **Decision**

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

- 1. Approved the 2018/19 Annual Internal Audit Plan**

#### **AC61. Governance Action Plan – Progress Report**

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

Ms Templeman provided the six monthly update on the governance action plan, which reflected the actions set out in the Annual Governance Statement in the 2017/18 annual accounts.

Although the status of many actions were red or amber, significant progress had been made and the key areas of progress were outlined.

In response to a question from Mr Linkston regarding the appraisal system for IJB officers including the Chief Officer and Chief Finance Officer and how objectives were set, it was agreed that this would be reviewed once the new Chief Executive for Falkirk Council commenced in August 2018.

The Audit Committee discussed the need for workplans for both the Strategic Planning Group and the Care and Clinical Governance Committee to ensure appropriate consideration and delivery of their remit. Ms Cassidy highlighted that Falkirk Council had now requested an IJB progress report twice a year and it was agreed that visibility to both parties would be beneficial and provide assurance.

#### **Decision**

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

- 1. Noted the updated Governance Action Plan attached as Appendix 1 to the report**

**2. Noted a progress report would be prepared for the December 2018 Audit Committee**

**AC62. Audit Scotland – “What is integration”**

The Audit Committee considered a paper ‘Audit Scotland – What is integration’ presented by the Chief Officer.

Ms Cassidy presented Audit Scotland’s 2018 report called ‘What is integration? A Short guide to the integration of health and social care services in Scotland’. The guide provided an overview of the structures in place across Scotland and the aims of the integration agenda. It included explanation of the responsibilities of IJBs and how they should be structured and function.

**Decision**

**The Audit Committee:**

**1. Noted the report**

**AC63. Any Other Competent Business**

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