

Agenda Item 3

Minute

Minute of meeting of the Audit Committee held remotely, on Friday 25 September 2020 at 9.30 a.m.

Voting Members: Allyson Black (Vice-Chair)
Gordon Johnston (Chair)

**Non – voting
Members:**

Jen Kerr, Third Sector Interface
Robert Clark, NHS Staff Representative

Also Attending:

Patricia Cassidy, Chief Officer
Jack Frawley, Team Leader - Committee Services
Sara Lacey, Chief Social Work Officer
Grace Scanlin, Ernst and Young (External Audit)
Antonia Sobieraj, Committee Services Officer
Jillian Thomson, Chief Finance Officer
Isabel Wright, Senior Auditor

AC1. Apologies

There were no apologies.

AC2. Declarations of Interest

There were no declarations of interest.

AC3. Minute

Decision

The minute of the meeting of the Audit Committee held on 6 March 2020 was approved.

AC4. Internal Audit Annual Assurance Report

The committee considered a report by the Internal Audit Manager, Falkirk Council which provided overall assurance on the IJB's arrangements for risk management, governance, and control, based on internal audit work undertaken and reported during 2019/20.

Responsibility for leading on the provision of internal audit services rotated on a three yearly cycle between the Council and NHS. The 2017 Public Sector Internal Audit Standards (the Standards) required the Internal Audit

Manager to prepare an Annual Assurance Report. The report had been prepared to meet the requirements. The 2019/20 Internal Audit Plan set out two main assignments to be completed by the team over the course of the year. In addition, two assignments relating to the 2018/19 Internal Audit Plan were finalised during 2019/20. The scope of, and findings arising from, each finalised assignment were set out in an appendix to the report.

Sufficient internal audit activity was undertaken to allow a balanced assurance to be provided. Internal audit was able to provide substantial assurance in respect of the IJB's overall arrangements for risk management, governance, and control for the year to 31 March 2020.

Decision

The committee:-

- (1) noted that sufficient Internal Audit work was undertaken to support a balanced assurance, and**
- (2) noted that Internal Audit can provide substantial assurance on the IJB's arrangements for risk management, governance, and control for the year to 31 March 2020.**

AC5. Annual Assurance Statement

The committee considered a report by the Chief Finance Officer which presented the draft Audit Committee Annual Assurance Statement for approval. This was the first Annual Assurance Statement prepared for the committee and came in response to the recommendations of the Internal Audit "IJB's Assurance Framework – Governance Mapping" report.

The draft Annual Assurance Statement was appended to the report. The statement set out the attendance, meeting dates and business of the Audit Committee during the financial year April 2019 to March 2020. Further work to refine and develop the annual assurance statement would be undertaken during 2020/21. Through the Audit Committee meetings, reports and action plans presented and agreed, output from internal and external audit, together with assurance provided from respective Partners, the Annual Assurance Statement concluded that the Audit Committee had effectively discharged its duties during 2019/20.

Decision

The committee:-

- (1) approved the 2019/20 Audit Committee Annual Assurance Statement, and**

- (2) agreed to refer the Annual Assurance Statement to the next meeting of the Integration Joint Board.**

AC6. Strategic Risk Register

The committee considered a report by the Chief Finance Officer which provided an update on the IJB's strategic risk register. There were 11 live risks recorded in the register, 10 were considered as high risk and 1 as low risk. No new risks had been added to the register since the version which was considered by the IJB in December 2019. However updates had been included in respect of the Covid-19 pandemic.

Decision

The committee noted the Strategic Risk Register.

AC7. National Audit and Inspection Report Overview

The committee considered a report by the Chief Finance Officer which provided an overview of all national audit and inspection reports published since the previous meeting on 6 March 2020. A total of 4 national audit reports and briefings had been issued and 9 inspection reports (4 from the Care Inspectorate and 5 from the Mental Welfare Commission).

Decision

The committee noted the report and potential actions arising from the recent Covid-19 papers published by Audit Scotland referred to in section 4.1 of the report.

AC8. Annual Accounts - Related Party Transactions and Registers of Gifts & Hospitality and Extra Mural Employments

The committee considered a report by the Chief Finance Officer which presented a request from Falkirk Council and information in respect of related party transactions for Chief Officers and Senior Managers as part of the 2019/20 annual accounts process.

The Council had requested that a "Statement of Assurance" was completed on behalf of Adult Social Work Services to record related party transactions in respect of IJB members and/or senior management during financial year 19/20. The statement of assurance was effectively an annual declaration of interests which formed part of the Local Authority annual accounts process. This reflected the requirements of the "Code of Practice on Local Authority Accounting" whereby all related party transactions must be disclosed as part

of the notes to the accounts in a bid to improve corporate governance and transparency in terms of potential conflicts of interest and to maintain public confidence in local government processes.

As part of the IJB's code of conduct the IJB maintained a register of interests detailing the related party transactions of all IJB members. It was recommended that the register was routinely shared with Falkirk Council in order to provide the required disclosure information. In order to fully support the Council's compliance with the Code of Practice on Local Authority Accounts, it was recommended that the IJB's existing register of interests was expanded to also include the interests of the Senior Leadership Team.

Decision

The committee agreed that:-

- (1) the register of interests was expanded to include the Senior Leadership Team;**
- (2) the new expanded register of interests would be reviewed on an annual basis by the Senior Leadership Team, and**
- (3) the expanded IJB register of interests was shared with Falkirk Council on an annual basis in order to support disclosure requirements in respect of related party transactions as part of their annual accounts process.**