

Agenda Item 3

Minute

Minute of meeting of the Audit Committee held within Arnotdale House, Falkirk on Friday 6 March 2020 at 9.30 a.m.

Voting Members: Allyson Black (Vice-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
Gordon O'Connor, Internal Audit Manager, Falkirk Council
Grace Scanlin, Ernst and Young (External Audit)
Amanda Templeman, Chief Finance Officer

AC27. Apologies

There were no apologies.

AC28. Declarations of Interest

There were no declarations of interest.

AC29. Minute

Decision

The minute of the meeting of the Audit Committee held on 16 December 2019 was approved.

AC30. Strategic Risk Register Update

The committee considered a report by the Chief Finance Officer which provided an update on the Strategic Risk Register (SRR) and risk management plans for 2020. The high level SRR, detailed risk matrices and risk scoring guidance and matrix were provided as appendices. There had been no substantive changes to the risk register or the risk ratings since the December meeting.

During 2020/21 Internal Audit intended to review the IJB's risk management arrangements, including the Risk Management Framework and how it linked to those of Partners.

Decision

The committee noted the report.

AC31. Internal Audit Plan 2020/21

The committee considered a report by the Internal Audit Manager providing the Internal Audit Plan 2020/21 for approval. The Public Sector Internal Audit Standards 2017 (PSIAS) required the preparation of a risk based Internal Audit Plan setting out the team's annual work programme.

The role of internal audit was to provide a balanced and evidence based opinion on the adequacy of the IJB's arrangements for risk management, governance, and control. The Internal Audit Plan for 2020/21 contained two assignments:-

Risk Management Arrangements: review the IJB's risk management framework, and how this linked to those of partners (including partner resources to support IJB risk management). This would include reviewing strategy, structures, policies, procedures, and training. The review would also consider the processes for ensuring that all relevant strategic risks were accurately identified, assessed, evaluated, recorded and monitored.

Directions: internal audit work would focus on the extent to which Section 3 (Process for Issuing Directions), Section 4 (Form and Content of Directions), and Section 5 (Process for Issuing and Revising Directions) of the Guidance were being applied. Given that the Guidance was recent, the work would be scheduled for quarter 3 or 4 of 2020/21.

Periodic reports would be provided to the Audit Committee detailing progress with the Plan and highlighting any key findings. An Annual Assurance Report would be provided giving an opinion on the overall adequacy and effectiveness of the IJB's control environment. The report would include a summary of work undertaken and a comparison of work completed against work planned.

Decision

The committee:-

- (1) approved the Internal Audit Plan for 2020/21, and**
- (2) noted that progress will be reported to the Audit Committee on an ongoing basis.**

AC32. Internal Audit Progress Report

The committee considered a report by the Internal Audit Manager which provided an update on progress with completing the 2018/19 and 2019/20 Internal Audit Plans. The report on Performance Management and Reporting had been finalised, and progress was being made with the remaining 2018/19 and 2019/20 Internal Audit work. A summary of findings from internal audit work was provided as an appendix to the report.

Decision

The committee noted progress being made with completing the 2018/19 and 2019/20 Internal Audit Plans.

AC33. External Audit Plan

The committee considered a report by the Chief External Auditor which set out the work EY would perform to allow them to provide their independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit, including the audit of Best Value. After consideration by the IJB, the plan was provided to Audit Scotland and published on their website.

Decision

The committee noted the External Audit Plans.

AC34. National Audit and Inspection Report Overview

The committee considered a report by the Chief Finance Officer which provided an overview of the national reports published since the September 2019 update to the Audit Committee. A number of the reports would be considered in detail by the Clinical and Care Governance Committee. Detailed commentary was provided on the Local Government in Scotland: Financial Overview 2018/19 Report.

Decision

The committee noted the report.

AC35. Terms of Reference

The committee considered a report by the Chief Finance Officer which presented an updated Terms of Reference for consideration before

submission to the IJB for approval. The Terms of Reference included two main updates, both driven by previous Internal Audit reviews. The first was to formally note that the minutes of the Audit Committee would be submitted to the IJB. The second was that the Audit Committee would report annually to the IJB. The report also highlighted that there was a vacancy for a Chair of the Committee and that this appointment would be made by the IJB.

Decision

The committee:-

- (1) agreed the Terms of Reference included at Appendix 1 and referred these to the Integration Joint Board for approval;**
- (2) noted that a new chair would have to be appointed to the Audit Committee, and**
- (3) noted that the December 2020 date for the Audit Committee would have to be amended.**

AC36. Following the Public Pound

The committee considered a report by the Integrated Care Fund Co-ordinator which provided the committee with information about organisations that received funding from the Integration Joint Board, via Falkirk Council and NHS Forth Valley during the period 1 April 2018 – 31 December 2019.

An appendix to the report Appendix 1 provided a summary of the purpose and performance of each of the funded organisations. Conclusions and recommendations were also provided by the leads for Falkirk Council funds. Additional information had been included regarding Partnership Funds or other funds, where known and validated by NHS Forth Valley and/or Partnership Funding leads.

Decision

The committee:-

- (1) noted monitoring and performance information for each of the organisation as set out in Appendix 1, and**
- (2) approved the contents of the report and refer to the Integration Joint Board for decision regarding the establishment of multi-annual contractual agreements.**