

Agenda Item 3

Minute



Minute of meeting of the Audit Committee held remotely, on Friday 4 December 2020 at 9.30 a.m.

<u>Voting Members:</u>	Allyson Black (Vice-Chair) Gordon Johnston (Chair)
<u>Non – voting Members:</u>	Robert Clark, NHS Staff Representative
<u>Also Attending:</u>	Patricia Cassidy, Chief Officer Sara Lacey, Chief Social Work Officer Brian Pirie, Democratic Services Manager Grace Scanlin, Ernst and Young (External Audit) Jillian Thomson, Chief Finance Officer

AC9. Order of Business

The convener indicated that he would change the order of business to allow agenda item 5, 2019/20 External Audit Report, to be taken early. The order of items in the minute reflects the order in which they were taken at the meeting.

AC10. Apologies

There were no apologies.

AC11. Declarations of Interest

There were no declarations of interest.

AC12. Minute

Decision

The minute of the meeting of the Audit Committee held on 25 September 2020 was approved.

AC13. 2019/20 External Audit Report

The committee considered a report by the Chief Finance Officer which presented the findings arising from the external audit of the 2019/20 financial statements.



The annual external audit report provided an unqualified opinion on the 2019/20 financial statements, including the remuneration report and annual governance statement.

The report provided conclusions in regard to:-

- The financial statements
- The IJB as a going concern

In regard to the wider scope of the audit and best value the report set out conclusions on the following audit dimensions:-

- Financial sustainability
- Governance and transparency
- Financial management
- Value for money

The report identified a number of areas for improvement and included 5 specific recommendations for management action. It was also recommended that the Board complete a self-assessment against Audit Scotland's guidance for IJBs during 2020/21.

In regard to the management actions Jillian Thomson confirmed that these would be actioned during 2021. Ms Scanlin added that the Auditors would focus on Best Value in 2021. In 2019/20 the level of integration had been a concern – the Auditors had noted an improvement in this in 2020/21.

Following a question Ms Scanlin explained that there had been a focus on the Board as a going concern in 2020/21. This would not normally be an issue, however it had become an area of focus during the Covid-19 pandemic because of the impact of the virus on funding and expenditure (and also because a new audit standard had been introduced which required focus on this area).

Decision

The committee noted the report.

AC14. Terms of Reference

The committee considered a report by the Chief Finance Officer which presented the current Terms of Reference for the Audit Committee.

The Audit Committee had previously made recommendations to the Board on 20 March 2020 to amend its Terms of Reference. However due to the Covid-19 pandemic the Board did not have the opportunity to consider the report at that meeting. Following discussion, the Chief Officer, in

consultation with the Chair and Vice Chair of the Board, had implemented the proposals. The Terms of Reference had been updated accordingly and were presented for information. The main changes were:-

- In line with Internal Audit recommendations, the minutes of the quarterly Audit Committee meetings would now be routinely submitted to the IJB together with a formal annual report;
- An Internal Audit Annual Assurance Report would be provided to the Audit Committee providing an overall opinion on the IJB's arrangements for risk management, governance and control;
- The Audit Committee would approve the annual accounts with no requirement for further approval from the IJB in line with custom and practice adopted in previous years.

Decision

The committee noted the Terms of Reference set out in appendix 1 to the report.

AC15. 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 currently considered as high risk and 1 as medium risk.

No new risks have been added to the register since it was reported to the committee in September.

Patricia Cassidy advised the committee that NHS Forth Valley had recently appointed a risk manager and this would assist in the realignment of risk registers across Forth Valley area.

The committee sought an update on the risk around Capacity and Infrastructure which had moved from low to medium risk. Ms Cassidy gave an overview of the ongoing workstreams to recruit to vacant posts. This included working closely with the Council's corporate management team to determine if the Council could assist the Partnership with back office support and with voluntary work and with Forth Valley College. She acknowledged that there had been challenges and pressure on the Service – at times absence in care at home workers had been 20%. However, she stated that staff retention was good and although the pressures would continue into the New Year, the high retention levels was a testament to the dedication of staff across the Service. She repeated that there would be challenges in the New Year – for example the implementation of the vaccination programme would be an additional pressure.

Decision

The committee noted the draft Strategic Risk Register at appendix 1 to the report.

AC16. IJB Audit Committee Programme of Meetings and Workplan 2021

The committee considered a report by the Chief Finance Officer which set out the proposed timetable of meetings of the Audit Committee for 2021, together with an indicative workplan for the year.

It was proposed that the committee meet remotely, subject to changes in Public Health guidance, at 9.30am on the following dates:-

- 5 March 2021
- 18 June 2021
- 24 September 2021
- 3 December 2021

Decision

The committee agreed:-

- (1) the proposed timetable of meetings for 2021, and**
- (2) the indicative workplan for 2021.**

AC17. National Audit and Inspection Report Overview

The committee considered a report by the Chief Finance Officer which provided an overview of all national audit, scrutiny and inspection reports published since the previous Audit Committee meeting held on 25 September 2020.

A total of 3 national reports and 2 Care Inspectorate inspection reports had been issued since the last meeting.

Decision

The committee noted the report.