

# **Agenda Item 3**

## **Minute**



**Draft**

**Minute of meeting of the Audit Committee held remotely, on Friday 11 March 2022  
at 9.30 a.m.**

**Voting Members:** Gordon Johnston (Chair)

**Non – Voting  
Members:** Robert Clark, NHS Staff Representative

**Also Attending:** Patricia Cassidy, Chief Officer  
David Keenan, HSOP Governance Support Officer  
Sara Lacey, Chief Social Work Officer  
Brian Pirie, Democratic Services Manager  
Grace Scanlin, EY (External Audit)  
Jillian Thomson, Chief Finance Officer  
Isabel Wright, Internal Audit, Risk and Corporate Fraud  
Manager

**AC25. Apologies**

There were no apologies.

**AC26. Declarations of Interest**

There were no declarations.

**AC27. Minute**

**Decision**

**The minute of the meeting of the Audit Committee held on 3 December 2021 was approved.**

**AC28. Strategic Risk Register**

The committee considered a report by the Chief Finance Officer which provided an update on the IJB's strategic risk register.

No new risks had been added to the register since the last version presented to the Audit Committee on 3 December 2021. There were 9 live risks recorded in the register, 8 were considered as high risk and 1 as medium risk.



The Committee referred to the detailed risk register spreadsheet and noted that this was a different format to what has been used previously. The scoring was also different to what has been used in the past, in that there were different levels within the scoring. The committee noted that the majority of risks had been rated as high risk, however this was an accurate reflection of the position at the time.

## **Decision**

### **The Committee:-**

- (1) noted the high-level summary of the strategic risk register presented at section 4.1 of the report.**
- (2) noted the detailed strategic risk register, and**
- (3) noted that a draft improvement action plan had been developed in response to the outcome of the internal audit review of the IJB's risk management arrangements.**

## **AC29. Internal Audit Progress Report**

The committee considered a report by the Falkirk Council Internal Audit Manager which provided an update on progress in completing the 2021/22 Internal Audit Plan. Since the last meeting of the Committee progress had been made with 2021/22 Internal Audit work.

The report summarised the position in relation to the two audits in the Internal Audit Plan. These were:-

- Business Continuity and Resilience
- Directions

Fieldwork was underway in regard to the Business Continuity and Resilience audit and fieldwork was due to commence on the Directions audit. The review findings of both would be reported at the next Audit Committee.

The Committee was reminded that the responsibility for leading on the provision of the Falkirk IJB internal audit service rotated on a three-yearly basis. From April 2022, the Chief Internal Auditor of Fife, Tayside and Forth Valley Internal Audit Consortium would take over the provision of the internal audit service. The internal audit plan for 2022/23 would be developed by the NHS internal auditor and that would be presented at the next meeting of the Audit Committee along with the 2021/22 Annual Assurance Report.

## **Decision**

**The Committee noted the progress being made with completing the 2021/22 Internal Audit Plan.**

### **AC30. External Audit Plan Year Ending 31 March 2022**

The committee considered a report by the Chief External Auditor which presented the Annual Audit Plan for year ending 31 March 2022. This was the final Annual Audit Plan by EY before rotating off the IJB. The plan set out the work EY would perform to allow them to provide the 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 would be provided to Audit Scotland and published on their website.

The report reflected on sector developments and noted that there was not a requirement to hold a Local Area Network (LAN) meeting. A LAN meeting consisted of all scrutiny bodies that look at the Council and Health & Social Care functions to discuss the key risks for the year. This year, most bodies had not held a LAN meeting. However, the External Auditor felt that for Falkirk, there was value in holding a LAN meeting. This was partly to share the developments of the Best Value Assurance Report conducted on Falkirk Council and noted there had been Care Inspectorate activity which might have impacted on the Health & Social Care aspects. It was expected that the meeting would go ahead in April and any changes that would impact on the IJB would be reported back to the next meeting of the Audit Committee.

Key developments such as the proposed National Care Service, the financial position of the IJB's partners, in particular Falkirk Council and Audit Scotland reporting on social care and NHS workforce issues and the demographic demand pressures were highlighted as issues that would impact the work of the IJB.

The Committee asked the External Auditor if there was a formal report produced from the LAN meeting and, if so, was this shared with the IJB. In response to the question, the External Auditor explained that there was a scrutiny plan, however, there had been no updates to the plan and there had been no meetings. The scrutiny plan was hosted on the Audit Scotland website and a link to this was included in the report.

The Committee noted that the NHS had an equivalent for LAN and that the Falkirk Council Best Value report had again highlighted the lack of integration and the risk associated with this. The matter had been raised with the NHS Chief Executives and Audit Scotland as a concern because it no longer appeared the NHS Corporate Risk Register.

### **Decision**

**The Committee noted the report.**

### **AC31. 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 3 December 2021. This report is a standing agenda item.

A summary of the following reports was provided. These were:-

- Accounts Commission – Falkirk Council: Best Value Assurance Report
- Audit Scotland – Falkirk IJB Annual Audit Report 2020-2021
- Audit Scotland – Pension Fund Annual Audit Report 2020-2021
- Audit Scotland – Social Care Briefing
- Scottish Government – National Care Service consultation responses
- Scottish Government – National Care Service: consultation analysis

The report also highlighted the four Care Inspectorate Inspections reports that had been issued since the last update that was presented to the December 2021 Audit Committee.

#### **Decision**

**The Committee noted the report.**

### **AC32. Governance Statement Improvement Actions**

The committee considered a report by the Chief Finance Officer which provided an update on progress to implement a range of improvement actions which were identified through the annual governance statement and from various internal and external audit recommendations.

As part of the annual accounts, the governance statement identifies a range of improvement actions designed to enhance the IJB's governance arrangements and system of internal control (including recommendations from both internal and external audit). It was agreed from December 2021 onwards that this report would be a standing agenda item. There were 11 live improvement actions which were detailed in Appendix 1. The ongoing impact of the pandemic had continued to affect deadlines, with 7 of the actions having been delayed.

#### **Decision**

**The Committee noted the progress report on improvement actions**