



CÙRAM IS SLÀINTE NAN EILEAN SIAR INTEGRATION JOINT BOARD AUDIT COMMITTEE

Minute of meeting of the Western Isles Integration Joint Board Audit Committee held on the 22 September 2016 at 9.00am, within Committee Room 3, Council Offices, Sandwick Road, Stornoway, Isle of Lewis.

Members Present:

Mr. Uisdean Robertson	Councillor, CnES (Chair)
Mr. Angus Morrison	Councillor, CnES
Mr. Ian Burgess	Non-Executive Director, NHS WI
Mr. Malcolm Smith	Non-Executive Director, NHS WI
Mr. Malcolm Macdonald	Staffside Representative, CnES
Mr. Eoin Macneil (by VC)	Third Sector Representative

In Attendance:

Dr Ron Culley	Chief Officer, IJB
Ms Debbie Bozkurt	Chief Finance Officer, IJB
Mr Paul Macaskill	Chief Internal Auditor, IJB
Mr Donald Macleod	Internal Auditor, IJB
Mr. Robert Emmott	Director of Finance and Corporate Resources, CnES
Ms Karen Jones	Director, Public Sector Audit, Scott Moncrieff External Auditors

APPOINTMENT OF CHAIR

It was agreed to appoint Cllr. Uisdean Robertson as Chair of the IJB Audit Committee.

1. WELCOME

The Chair welcomed all those attending the Meeting.

2. APOLOGIES FOR ABSENCE

There were no apologies for absence.

3. DECLARATIONS OF INTEREST

No declaration(s) of interest(s) were raised in relation to any of the agenda items to be discussed.

4. AUDIT AND FINANCIAL GOVERNANCE

4.1 Audited Annual Accounts 2015/16

4.2 Annual Report 2015/16

Ms Karen Jones, Director, Public Sector Audit, Scott Moncrieff the IJB's appointed External Auditors, presented the Annual Report and Audited Accounts for 2015/16. She clarified that this covered the period from September 2015 to 31 March 2016. The IJB was a section 106 body in terms of the Local Government (Scotland) Act 1973 and therefore the style of local authority accounts was followed. Scott Moncrieff were the appointed auditors for the period to 31 March 2016. From 1 April 2016 Audit Scotland had been appointed by Scottish Government as the External Auditor for the IJB. Due to the decision of the IJB to operate in shadow form from the date that its Scheme was approved to 31 March 2016 the only expenditure shown within 2015/16 was the Chief Officer salary and Scott Moncrieff's Audit fee.

Decision: The Audit Committee formally approved for its interests the terms of the Audited Annual Accounts 2015/16 and the Annual Report 2015/16.

4.3 Appointment of External Auditor

The Chief Officer Health and Social Care submitted formal notification from Scottish Government that Audit Scotland would be the IJB External Auditor for a five year period commencing on 1 April 2016.

Decision: The Audit Committee noted Audit Scotland's appointment.

4.4 Audit Committee Terms of Reference

The Chief Officer Health and Social Care submitted the terms of reference of the Audit Committee which had been approved by the IJB. The Audit Committee noted the requirement to meet twice a year and indicated that it was likely to require to meet more often as permitted by the Terms of Reference. It was also suggested that the Audit Committee offer to conduct an overview of progress in relation to "Shifting the Balance of Care" in terms of paragraph 5.2 of its remit.

Decision: The Audit Committee formally noted its terms of reference.

Action: Suggest to IJB that the Audit Committee overview progress in relation to "Shifting the Balance of Care" on behalf of the IJB

4.5 Internal Audit Strategic Work Plan 2016-19

The Chief Internal Auditor IJB submitted the Internal Audit Strategic Work Plan for 2016-19. It was noted that this had required to be approved by the IJB prior to 1 April 2016.

Decision: The Audit Committee endorsed the Internal Audit Strategic Work Plan 2016-19 for its interests.

4.6 Internal Audit Reports

4.6.1 Due Diligence and Governance

The Chief Internal Auditor IJB submitted an Internal Audit review of Due Diligence and Governance arrangements.

The review highlighted as areas of good practice the sustained efforts by both parent bodies in putting in place appropriate foundations on which to develop the IJB in relation to governance, constitutional documentation and planned performance reporting. The most significant issues arising from the review were recommendations

- a) that the IJB continue to assess the actual risks and financial performance against the pre integration assumptions so that the objectives of integration remained on course to be achieved and the delegation of resources by both the Comhairle and NHS Eilean Siar were deemed sufficient and a legal budget had been set which fulfilled the aspirations contained in Strategic Plan (para 2.1, 2.4 and 2.5); and
- b) that consideration be given to disclosing and quantifying in the accounts of the IJB the scale of corporate support being provided by the Comhairle and NHS Eilean Siar if it was deemed material (2.2). The Audit Committee considered the terms of the Report and emphasised the urgency of the Chief Finance Officer having an updated job description.

Decision: The IJB Audit Committee formally approved the terms of the review.

Action: Follow up report to be submitted by Chief Internal Auditor.

4.6.2 IJB Strategic Plan

The Chief Internal Auditor IJB submitted an Internal Audit Review of the IJB Strategic Plan.

The review highlighted as an area of good practice that a Strategic Plan which identified the 25 key deliverables across the 12 priority areas was in place as were all locality planning groups.

The areas which were highlighted as requiring management attention were:

- service development and succession planning required to be taken forward in order to mitigate the risks associated with an ageing workforce and maintaining future access to highly trained professionals such as GPs (para 2.2)
- an operational plan should be developed aligned to the 25 key deliverables identified across the 12 priority areas within the strategic plan (para 2.1)
- the locality planning groups should develop their annual locality plans setting out how services were to be delivered in the medium to long term (para 2.1)
- to promote integration the locality planning groups should establish strong links between the planning undertaken locally and that at a strategic level through the Strategic Planning Group and the IJB; (para 2.1)
- consideration be given to locality planning groups assessing the effectiveness of the IJB in meeting the needs of the local communities (para 2.1)
- the IJB work in partnership with other organisations within the Western Isles through the Outer Hebrides Community Planning Partnership (para 2.1)

The Audit Committee highlighted the importance of addressing the challenges of recruitment and retention.

Decision: The IJB Audit Committee formally approved the terms of the review.

Action: Follow up report to be submitted by Chief Internal Auditor.

4.7 Chief Finance Officer Assurance Statement

The Chief Finance Officer IJB submitted her assurance statement as at month 4 (to 31 July 2016) as part of the requirement to produce regular in year reporting and forecasting for scrutiny and review. The Report highlight a £210K projected underspend at Month 4. The Chief Finance Officer confirmed verbally that this was expected to reduce at Month 5.

Key risks identified were the pressures on the acute set aside due to delayed discharges triggering the increased utilisation of bank staff and pharmacy expenditure. There was also a backlog in the invoicing process for residential care. Efficiency savings were looking less risky at Month 5 with two high risks having gone to medium and one medium risk having gone to low. The Chief Finance Officer confirmed that she would issue monthly reports and monthly risk assessment updates to all members of the IJB.

Decision: The Audit Committee formally noted the Chief Finance Officer's Statement of Assurance.

5. STRATEGIC GOVERNANCE

5.1 Integration Joint Board Strategic Plan

The Chief Officer Integration Joint Board submitted the IJB Strategic Plan to the Audit Committee for its information. He confirmed that an update on implementation of the Strategic Plan would be submitted to each meeting of the IJB. This synchronised with the Internal Audit recommendations in this regard.

Decision: The Audit Committee formally noted the Strategic Plan.

6. ANY OTHER COMPETENT BUSINESS

It was agreed that in future Audit Committees should take place on separate dates from IJB Meetings to allow for reporting.

7. Date of Next Meeting

It was agreed that the next meeting take place in January/February 2017 to consider follow up reports and the operational plan. Such information as was available at the time in relation to budgets could also be considered.

Meetings of the IJB Audit Committee should also be scheduled for June and September for approval of the unaudited and audited accounts respectively.

END.