



## 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 13<sup>th</sup> September 2017 at 10:30am, within Committee Room 3, Council Offices, Sandwick Road, Stornoway, Isle of Lewis.

### Members Present:

Mr. Ian Burgess	Non-Executive Director, NHS WI
Mr. Murdo Macmillan	Non-Executive Director, NHS WI
Mr. Angus Morrison	Councillor, CnES (Chair)
Mr. Paul F Steele	Councillor, CnES
Mr. Malcolm MacDonald	Staffside Representative, CnES

### In Attendance:

Ms. Debbie Bozkurt	Chief Financial Officer, IJB
Dr. Ron Culley	Chief Officer, IJB
Mr. David Jamieson	Senior Audit Manager, Audit Scotland
Mr. Paul MacAskill	Chief Internal Auditor, IJB
Ms. Anne MacDonald	Principle Accountant, CnES
Mrs. Michelle McPhail	Business Manager

### 1. WELCOME

Mr. Morrison took the Chair and welcomed all those present to the meeting, specifically welcoming Ms. MacDonald to the meeting in the absence of Mr. Robert Emmott.

### 2. APOLOGIES FOR ABSENCE

Mr. Eoin MacNeil Third Sector Representative

### 3. DECLARATIONS OF INTEREST

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

### 4. MINUTES

#### 4.1 IJB Audit Committee Minutes of 29.06.17

The Minutes of the Integration Joint Board Audit Committee held on 29<sup>th</sup> June 2017 was approved as an accurate record of the discussion.

**Decision: The Committee formally approved the Minutes.**

## 4.2 Matters Arising

**Item 5.3.3 – Residential Care** ~ Dr. Culley informed the Committee that Mrs. Helen MacKenzie will be present at the next IJB meeting to update Board Members. He noted that the assessment of existing clients is underway and invoices on their residential care costs will be raised.

The Chair noted his and Committee Members' disappointment at the lack of a full discussion on the issue and the need to scrutinise the position obtaining assurances as to the process being put in place.

Dr. Culley noted that the pace of change was not as anticipated due to capacity issues, which is an issue to enable the IJB to set its budgets and without the information pertaining to expected income from residential care proves challenging to set and approve budgets.

The Chair and Mr. Macmillan requested that Mr. Emmott and Mrs. MacKenzie are available to be held to account and provide the necessary information to the Committee on the lack of progress and assurance.

**Decision:** Members noted the verbal update from Dr. Culley.  
**Action:** Detailed discussion at the next meeting.  
Mr. Emmott and Mrs. MacKenzie to be present at the next meeting.

## 4.3 Action Points

**23.02.17 – 5.4.2 IJB Strategic Plan – Follow-up report** ~ On the agenda for discussion 13.09.17. **Action: REMOVE.**

**29.06.17 – 5.3.1 Response Letter to Geoff Huggins** ~ On the agenda for discussion 13.09.17. **Action: REMOVE.**

**29.06.17 – 5.3.2 Committee schedule aligned to Audit Scotland Timetable** – on the agenda for discussion. **Action: REMOVE.**

**29.06.17 – 5.3.3 Residential Care procedure assessment** ~ this item will need to remain on the Action Points until a detailed formal report is presented. **Action: UPDATE.**

**29.06.17 – 6.1 IJB Draft Annual Accounts** ~ on the agenda for discussion 13.09.17. **Action: REMOVE.**

**Decision:** The Committee formally noted the updates.  
**Action:** The Action Points will be updated reflecting the above.

## **5. AUDIT AND FINANCIAL GOVERNANCE**

### **5.1 IJB Draft Annual Accounts**

#### **5.1.1 Audit Scotland 2016/17 proposed Annual Audit Report**

#### **5.1.2 International Standard on Auditing – ISA260 and ISA 560 Letter of Representation**

#### **5.1.3 Audit Annual Accounts 2016/17**

Mr. Jamieson noted that he is required to bring matters to the attention of Members in relation to the Audit Scotland report, including the ISA260 and ISA560 letters which form part of the Annual Audit Report. The Report was discussed and it was noted that the audit opinions were unqualified, no adjustment made and no significant findings were noted during the Audit.

Members discussed individual sections of the report. The Chair remarked upon the break even position and officers of the IJB should be commended on the work carried out to date.

Ms. Bozkurt briefed Members on the Audited Annual Accounts for 2016/17 noting that minor changes were made to the final document. She stated that approximately £3m is held in reserve, with further discussion required to identify areas of investment.

Members were informed of the challenges to enable a breakeven position in 2018/19 and 2019/2020 as a further £2m is required year on year to bridge the gap. However the Parent Bodies are facing financial challenges which will impact on the IJB.

The Committee formally thanked Ms. Bozkurt and her collective team for the production of the Accounts and all the work associated with the finance of the IJB throughout the year.

**Decision: The Committee formally approved the Annual Accounts.**

**Action: The Annual Accounts will be presented to the IJB in September.**

**Debbie Bozkurt**

### **5.2 Internal Audit Progress Report 2017/18 – 01.04.17~06.09.17**

Mr. MacAskill, Chief Internal Auditor, drew colleagues' attention to the report which outlined the internal audit schedule from 01 April 2017 to 06 September 2017.

During the discussion Members noted that the internal audit work relating to Risk Management had not been completed. Dr. Culley noted that he would update the Committee at the next meeting.

The Chair raised concern at the work load of the internal audit department and requested that Mr. MacAskill informs the Committee when pressures start to arise. The Chair and Members noted their support of Mr. MacAskill and his team.

The Chair thanked Mr. MacAskill for the update, noting the Committees thanks to all those involved in the auditing process.

**Decision: The Audit Committee formally accepted the level of assurance provided within the report.**

**Action: Update on Risk Management Audit report to be presented at the next meeting.**

**Ron Culley**

### **5.3 Internal Audit Review - Financial Planning**

Mr. MacAskill presented the report, drawing colleagues' attention to item 1.6 of the report which denotes the good practice being delivered. It was recommended that further work is needed to develop the 5 year financial plan linked together with the Strategic Plan and Workforce Strategy to promote the transformational change necessary. Ms. Bozkurt noted that she would take this aspect forward and report to the Committee in February 2018.

The Chair thanked Mr. MacAskill and Ms. Bozkurt for their endeavours to raise the standards of performance.

**Decision: The Audit Committee formally accepted the level of assurance provided within the report.**

**Action: Development of the 5year plan to be taken forward and progress reported at the meeting in February 2018. Debbie Bozkurt**

### **5.4 Internal Audit Review - Performance Reporting**

Mr. MacAskill briefed Members on the report highlighting the areas of good practice; comprehensive performance reporting framework in place and the IJB beginning to use performance information to drive forward improvements as well as giving assurance.

The Chair thanked Mr. MacAskill for the report and commended Dr. Culley and his team for the developments in providing meaningful performance data.

**Decision: The Audit Committee formally accepted the level of assurance provided within the report.**

**Action: No action required**

### **5.5 Chief Financial Officer Assurance Statement 2017/18 Month 4**

Ms. Bozkurt briefed Members on the Month 4 financial position, to the end of July 2017. She remarked upon the challenge of making assumptions in the absence of the residential care income.

Ms. Bozkurt updated Members on the variations within specific budgets, which denotes an overspend of £1,263k, and projected year end underspend of £124k.

Members discussed the current position, scrutinising the ongoing work to mitigate the current risks and overspending.

The Chair thanked Ms. Bozkurt for the report.

**Decision: The Audit Committee formally noted the report.**

**Action: No action required.**

## **6. PERFORMANCE**

### **6.1 Integration Performance Indicators**

Mr. Culley provided Members with an update on the Integration Performance Indicator trajectories. He advised that progress was being made with Delayed Discharges and the greater working relationships with staff working on the ground. However patients are still being admitted to the Hospital and there is still a requirement for home care support.

Mr. Culley noted the work currently being undertaken in relation to Palliative Care and End of Life Care noting that the position is improving. Mr. Culley will circulate the report.

The Chair thanked Mr. Culley for his briefing, and the greater understanding of specific aspects of performance following the more detailed update. The Chair asked that future performance reports have more detail as to the specific issues and the work being carried out to improve performance.

**Decision: The Audit Committee formally noted the report**

**Action: Circulate the Palliative Care and End of Life Care Report Ron Culley  
Future reports to have a detailed update on specific indicators.**

## **7. ANY OTHER COMPETENT BUSINESS**

### **7.1 Proposed Dates for 2018**

06.02.18	Committee Room 3, CnES
12.06.18	Committee Room 3, CnES
11.09.18	Committee Room 3, CnES

**Decision: The dates noted were formally approved, with the inclusion of another meeting in the last quarter of the calendar year.**

**Action: Mrs. McPhail agreed to make the necessary arrangements for a fourth annual meeting.**

### **7.2 Audit Scotland report – Self Directed Support (SDS) 2017 Progress Report**

Mr. Culley presented the Committee with the national audit report, which made very interesting reading. He indicated there is no evidence that authorities have yet made the transformation change required to fully implement SDS. Mr. Culley noted that clients make comments to the Social Work department on Direct Payments, however these are made orally and it would be better to obtain testimonials to ascertain the benefits and disadvantages before taking further action in relation to this.

**Decision: The Committee formally noted the report.**

**Action: No action.**

## **8. Date of Next Meeting**

Dates for 2018 determined by the outcome of item 7.1

**END.**