

MINUTE of MEETING of the WEST LOTHIAN INTEGRATION JOINT BOARD AUDIT, RISK AND GOVERNANCE COMMITTEE held within CONFERENCE ROOM 3, WEST LOTHIAN CIVIC CENTRE, on 4 MARCH 2020.

Present – Martin Connor (Chair), Councillor Damian Timson (Vice Chair), Caroline McDowall, Bill McQueen and Martin Murray

Apologies – Councillor George Paul

In Attendance – Carol Bebbington (Interim Head of Health, West Lothian Health and Social Care Partnership), Jo MacPherson (Chief Social Work Officer), James Millar (Standards Officer), Kenneth Ribbons (Internal Auditor), Sharon Leith (Internal Audit), Patrick Welsh (Chief Finance Officer) and Stephen Reid (EY, External Audit).

1. DECLARATIONS OF INTEREST

No declarations of interest were made.

2. ORDER OF BUSINESS

The Chair welcomed Stephen Reid (EY, External Audit) to the meeting.

3. MINUTE

The committee approved the minute of its meeting held on 11 December 2019. The Chair thereafter signed the minute.

4. RISK MANAGEMENT

The committee considered a report (copies of which had been circulated) by the Chief Officer advising of the IJB's risk register

The report recalled that in accordance with the Risk Management Strategy approved by the IJB on 26 June 2018, the Audit, Risk and Governance Committee was required to review the risk register at least twice per annum.

The IJB previously had ten risks. Following a review of the risks undertaken in conjunction with the IJB Risk Manager, two risks were removed from the risk register; these were in relation to clinical care/governance and health and safety. This was because they were considered to be operational risks to be managed by NHS Lothian and West Lothian Council and as such should be reflected in their risk registers.

The IJB therefore now had eight risks which were set out in Appendix 1. The four highest risks were :-

- IJB008 – Delayed Discharge – score 16

- IJB004 – Inadequate Funding to Deliver the Strategic Plan – score 12
- IJB007 – Sustainability of Primary Care – score 12
- IJB006 – Workforce Planning – score 12

The Internal Auditor continued by providing committee with additional information concerning the contents of Appendix 1.

Also attached to the report was Appendix 2 which set out more detail of the risk actions which were not yet complete. Appendix 3 provided the standard risk methodology.

The Chair then raised concerns with regards to Coronavirus and its impact on the Risk Register. Officers undertook to consider its implications in terms of delivery of the Strategic Plan.

With regards to progress on some of the identified risks, it was noted that progress to date with Delayed Discharge was at 25% and Care Home Placements was at 5%. The Head of Health advised committee that a strategic review of bed management was underway which would enable progress to be made. She also advised committee that as all the risks identified for Delayed Discharge were fairly new, data around them was still being collated.

Officers advised committee that the Risk Register was also considered by the Integration Joint Board and the Strategic Planning group.

It was recommended that the Audit, Risk and Governance Committee considers the risks identified, the control measures in place and the risk actions in progress to mitigate their impact.

### Decision

1. To note the contents of the report; and
2. To note the concerns of the committee in relation to coronavirus and to ask the Chief Officer to consider its implications in the delivery of the Strategic Plan.

## 5. EXTERNAL AUDIT PLAN

The committee considered a report (copies of which had been circulated) by the Chief Finance Officer advising of the external auditors 2019/20 annual audit plan.

The committee noted that Stephen Reid, EY was in attendance at the meeting and along with the Chief Finance Officer would address the contents of the report.

Attached to the report at Appendix 1 was EY's annual plan, which set out

the work that was proposed to be undertaken in relation to the 2019/20 audit.

As set out in the EY audit plan, auditors in the public sector would provide an independent opinion on the “truth and fairness” of the financial statements. The Annual Audit Plan set out the proposed approach for the audit of the financial year ending 31 March 2020.

The report then provided a summary of the Annual Audit Plan and it was noted that the Accounts Commission had also set out five strategic Audit Priorities that would be integrated into EY’s 2019/20 audit work. These were :-

- Clear priorities with a focus on outcomes, supported by effective long term planning.
- Effective appraisal of options for changing how services are delivered in line with their priorities
- Ensuring that members and officers have the right knowledge, skills and support to design, develop and deliver effective services in the future
- Empowering local communities and involving them in the design and delivery of local services and planning for their local area.
- Reporting on performance in a way that enhances accountability to citizens and communities, helping them contribute better to delivery of improved outcomes.

The report concluded that the wider scope audit work that would be undertaken and the judgements and conclusions reached in these areas would contribute to the overall assessment and assurance of the achievement of best value by the IJB.

The committee explored with those in attendance the methods that would be employed across the five strategic Audit Priorities and whether there were any lessons to be learnt from other IJB’s. The Chief Finance Officer explained that the best Value Framework and Engagement Framework would be utilised in the gathering of information particularly in relation to engagement with communities.

Committee also made reference to the ongoing coronavirus issue and its possible impact on the audit plan. Mr Reid, EY, explained that it was something that needed to be recognised particularly in the long term delivery of actions and priorities.

It was recommended that the committee notes the external auditors 2019/20 annual audit plan

### Decision

1. To note the content of the report and the proposed 2019/20 annual audit plan; and

2. To note the suggestion that lessons could be learnt from other IJB's particularly in terms of engagement with local communities on the design and delivery of local services.

## 6. INTERNAL AUDIT PLAN

The committee considered a report (copies of which had been circulated) by the Internal Auditor advising of the 2020/21 internal audit plan.

The internal audit plan for 2020/21 set out the planned internal audit work for the year to 31 March 2021. A copy was attached to the report at Appendix 1.

The Public Sector Internal Audit Standards (PSIAS) require that a risk based audit plan be prepared. The internal audit plan therefore took account of the IJB risks.

The purpose of the internal audit plan was to audit the Integration Joint Board's processes and ensure that effective controls were in place to mitigate the risks identified. It was to be noted that separate internal audit arrangements were in place to the operational arrangements within West Lothian Council and NHS Lothian.

It was recommended that the committee approve the 2020/21 internal audit plan.

### Decision

1. To approve the terms of the report; and
2. To agree that the timescale for reporting on Performance Management/Inadequate Performance Management be brought forward to September 2020.

## 7. INTERNAL AUDIT - WORKFORCE PLANNING

The committee considered a report (copies of which had been circulated) by the Internal Auditor advising of the outcome of the internal audit of workforce planning.

In accordance with the internal audit plan for 2019/20 an audit was undertaken of workforce planning. The objective of the audit was to review progress towards implementation of the Strategic Workforce Development Framework as approved by the IJB on 21 November 2018. This included a review of risk IJB006 and the associated internal controls and risk actions.

The resultant report was attached to the report at Appendix 1 along with agreed management action in the action plan.

Committee noted that the information provided by both West Lothian

Council and NHS Lothian was provided in different formats; this made it more complex to provide a consistent overview of the direction of travel in terms of workforce planning.

It was recommended that the committee notes that control was considered to be satisfactory.

### Decision

To note the terms of the report

## 8. INTERNAL AUDIT OF FINANCIAL SUSTAINABILITY ARRANGEMENTS

The committee considered a report (copies of which had been circulated) by the Internal Auditor advising of a report prepared by NHS Lothian internal audit on financial sustainability arrangements.

The report, a copy of which was attached to the report at Appendix 1 described five control objectives; these were as follows :-

1. Potential saving options are identified and evaluated including any potential impact on service delivery;
2. Savings plans are aligned to NHS Lothian's strategic priorities and operational plans;
3. There is clear ownership and accountability around the delivery of savings plans;
4. Financial plans include sufficient evaluation of areas of uncertainty around funding and expenditure to provide clear consideration of options; and
5. Financial planning and delivery are transparent and has sufficient oversight.

The report concluded that significant assurance could be received in relation to control objectives one, two and four and moderate assurance could be received in relation to control objectives three and five.

The terms "significant" and "moderate" were defined in appendix one of the internal audit report.

The committee noted that the report had been presented to a meeting of NHS Lothian Board some months ago but had only recently come to the attention of council colleagues. It was therefore agreed that to ensure the committee was aware of similar business going forward in a timelier manner, the Internal Auditor would speak to his counterpart at NHS Lothian to discuss taking forward those matters that affected not only NHS Lothian but also West Lothian Integration Joint Board.

### Decision

1. To note the terms of the report; and
2. To agree that the Internal Auditor (IJB) contact his counterparts at NHS Lothian to discuss governance arrangements for the reporting matters concerning NHS Lothian/West Lothian IJB to the committee.

9. TIMETABLE OF MEETING 2020/21

The committee considered a timetable of meetings for 2020/21, a copy of which had been circulated.

Decision

To agree the timetable of meetings for 2020/21.

10. WORKPLAN

A workplan and reporting cycle had been circulated for the information of the committee.

Decision

1. To note the contents of the workplan; and
2. To agree now that the dates for meetings of the committee for 2020/21 had been agreed that the workplan be populated going forward.