

MINUTE of MEETING of the WEST LOTHIAN INTEGRATION JOINT BOARD AUDIT RISK AND GOVERNANCE COMMITTEE held within CONFERENCE ROOM 2, WEST LOTHIAN CIVIC CENTRE, HOWDEN SOUTH ROAD, LIVINGSTON, on 23 SEPTEMBER 2016.

Present

Voting Members - Martin Hill (Chair), Anne McMillan and Lynsay Williams (by conference call)

Non-Voting Members

Martin Murray and Jane Houston

Apologies – Danny Logue (Voting Member) – The Committee was advised that Councillor Logue was appointed Chair of the Integration Joint Board (IJB) at the meeting of West Lothian Council Executive on 20 September 2016. The IJB will require to appoint a new voting member to replace Councillor Logue on the IJB Audit, Risk and Governance Committee at its next meeting.

In attendance – Jim Forrest (Director, WLC), Steve Field (Head of Service, WLC) James Millar (Governance Manager, WLC) Kenneth Ribbons (Audit, Risk and Counter Fraud Manager, WLC), Patrick Welsh (Chief Finance Officer, WL Integration Joint Board), Inire Evong and Dave McConnell (Audit Scotland).

1. ORDER OF BUSINESS

The Chair agreed that agenda item 10 (Audit of the 2015/16 Annual Accounts) be considered following agenda item 4 (Minute) as Audit Scotland staff were unable to attend the full meeting.

The Chair also agreed that the Audit Risk and Governance Committee workplan be tabled for consideration as the last item on the agenda as this had been omitted from the agenda.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. MINUTE

The Committee agreed the minute of the meeting held on 24 June 2016 as being a correct record.

Matters arising:

Page 4, item 6: Schedule of future meetings

- 1) Noted the update that the venue for the meeting scheduled to be held on 6 January 2017 was Conference Room 3, West Lothian Civic Centre. It was proposed that future meetings thereafter would be held

at Strathbrock Partnership Centre when it was hoped that conference call facilities would be available; and

- 2) Noted the update that consideration was being given by members to agree the dates for future meetings. Wednesday afternoons were the preferred day for the meetings. Proposed dates would be submitted to the next meeting for approval.

4. AUDIT OF THE 2015/16 ANNUAL ACCOUNTS

The Committee considered a report (copies of which had been circulated) by the Chief Finance Officer providing details of the 2015/16 Audit which included a summary of the key points arising from the Auditor's Annual Report.

David McConnell, Assistant Director, Audit Scotland, advised that the report was a summary of Audit Scotland's findings arising from the 2015/16 audit of West Lothian Integration Joint Board. Appendix 1 to the Annual Audit report set out a range of risks identified during the course of the audit and the assurance procedures used to assess the risks. Taking account of this, no areas of concern were highlighted.

The Committee was advised that Ernst & Young (EY) had now been appointed as the council's auditors. Mr McConnell advised that there would be a formal handover from Audit Scotland to Ernst & Young.

The Committee recorded a note of thanks to Audit Scotland for the excellent work carried out and thanked them for attending the meeting.

It was recommended that the Committee note the Auditor's 2015/16 Annual Audit Report and agree the audited 2015/16 Annual Accounts for signature.

Decision

To approve the recommendations in the report.

5. IMPLEMENTATION OF INTEGRATION SCHEME - PROGRESS UPDATE

A report had been circulated by the Director providing details of the progress made in implementing the Integration Scheme since its approval on 16 June 2015.

The report provided details of the progress made on the implementation of the Integration Scheme. The table attached as appendix 1 to the report summarised the key actions required by the Integration Scheme and outlined in each case the progress made to date in implementing these actions. Where additional work was required the proposed steps to secure full implementation were noted with a proposed completion date and the organisations responsible for delivery.

The Head of Service advised the Committee that significant progress has been made in relation to the requirements outlined in appendix 1 to the report. Key areas of work which required to be addressed were listed under support services although work was well underway in relation to most requirements in this section.

The Committee then considered the progress update. The following points were noted and recommendations made:

Point:

2.1 WLC Governance Manager to progress the appointment of Director

3.1 and 3.2 - should be marked as being complete

3.11 - Target Date should be 21/11/16

3.8 - Oral Health Integration is marked as complete. This should be marked partially complete with a completion date as the end of 2016

5.2 - Agreed that the Governance Manager would provide an update to the next meeting regarding best arrangements for providing independent legal advice to the IJB

5.9 - Agreed that there was a need to agree a procedure to deal with complaint handling specific to the IJB.

5.11 - PSED - Public Sector Equality Duty

5.12 - FOISA - Freedom of Information Scotland Act

5.13 - PRSE - Public Records Scotland Act

Noted the recommendation from the Chair that terms of reference should not be abbreviated in future reports.

5.14 - Climate change - Agreed that the IJB should take account of environmental sustainability and utilise the resources available.

It was recommended that the Committee:

1. Notes the terms of the report and the progress update attached to the report as appendix 1; and
2. Notes that the Director would seek to ensure that outstanding actions were completed in accordance with the target dates indicated in appendix 1.

Decision

To note the recommendations in the report.

6. AUDIT SCOTLAND REPORT ON CHANGING MODELS OF HEALTH AND SOCIAL CARE

A report had been circulated by the Director which provided details of the Audit Scotland Report on changing models of health and social care.

Audit Scotland produced a report, details of which were attached as an appendix to the report, to help increase the pace of change and to support new integrated authorities to implement new ways of working and address the challenges facing health and social care services.

The Director advised that West Lothian was at the forefront of commissioning an approach to health and care provision, firstly through the Community Health and Care Partnership (CHCP) and now through the Integration Joint Board. As a consequence most of the recommendations in the Audit Scotland report were already being addressed through West Lothian's strategic commissioning approach.

The main recommendation which West Lothian has still to fully address was the use of data to inform planning and performance monitoring. Much of the data required to do this was not within the immediate control of the CHCP and indeed not within the scheme of integration. However, as noted within the Audit Scotland report, ISD Scotland was leading a programme of work, overseen by the Scottish Government, NHS Scotland and COSLA. In addition, ISD Scotland has allocated dedicated resources to the IJB to support this activity. These resources were significant in the development of the care group commissioning plans which were being developed.

During the course of the discussion the Chair recommended that given the importance of the changing models of health and social care the report should be shared with all members of the Integration Joint Board for their information. The Clerk agreed to circulate this to members of the IJB following the meeting.

It was recommended that the Committee notes the recommendations in the report by Audit Scotland and the progress of the West Lothian Integration Joint Board in respect of these recommendations.

Decision

- To note the recommendations in the report; and
- To agree that the Clerk circulates the report to members of the Integration Joint Board.

7. INTERNAL AUDIT PLAN 2016/17

The Committee considered a report (copies of which had been circulated) by the Internal Auditor informing members of the updated 2016/17 internal audit plan.

The report recalled that the internal audit plan for 2016/17 set out the planned internal audit work for the year to 31 March 2017 and was submitted to the Audit, Risk and Governance Committee on 24 June 2016. The Committee approved the plan subject to a request for further detail in relation to the timing of the internal audit work. Further detail was provided in the updated internal audit plan for 2016/17 which was attached as an appendix to the report.

The Internal Auditor recommended that the committee approve the updated 2016/17 internal audit plan.

Decision

To approve the recommendation in the report.

8. INTERNAL AUDIT OF WEST LOTHIAN INTEGRATION JOINT BOARD FINANCIAL ASSURANCE

The Committee considered a report (copies of which had been circulated) by the Internal Auditor providing details of the Integration Joint Board's financial assurance processes.

The report advised that an audit of the IJB's integration financial assurance processes was carried out, details of which were attached as an appendix to the report, which included an agreed management action plan. The internal audit of West Lothian Integration Joint Board Financial Assurance involved reviewing the financial assurance processes undertaken by the IJB's Chief Finance Officer to determine whether the sums allocated to the IJB were adequate for its purposes. It was concluded that control was satisfactory.

During the course of the discussion the Chief Finance Officer highlighted that the NHS Lothian budget for 2016/17 was still not balanced with a funding gap of £1.249 million in respect of functions delegated via the payment to the West Lothian IJB. Further updates would be provided to ensure that members were kept updated regarding the situation.

It was recommended that the Committee notes that the internal audit carried out concluded that control was satisfactory.

Decision

To note the recommendation in the report.

9. NHS LOTHIAN INTERNAL AUDIT REPORTS

The Committee considered a report (copies of which had been circulated) by the Internal Auditor providing details of NHS Lothian's internal audit reports on the IJB performance management framework and IJB financial assurance.

The report recalled that in February 2016 the NHS Lothian internal audit team issued a report entitled “Integration Joint Boards Performance Management Framework” and in April 2016 they issued a report entitled “IJB Financial Assurance”. The Committee noted that these reports solely related to the internal audit of NHS Lothian systems and processes. As these reports were issued by NHS Lothian internal audit for the NHS Lothian Health Board, West Lothian IJB could not place formal reliance on them. However, it was recognised that they might be of interest to the Committee and were presented for information.

During the course of the discussion the question was raised about the processes that were in place to allow reports and supplementary information to be shared between NHS Lothian, West Lothian Council and the IJB to ensure that information was indeed being shared. The IJB Internal Auditor undertook to liaise with NHS Lothian to discuss the systems that were in place to report to the IJB.

The Committee was asked to note the findings of NHS Lothian’s internal audit work and associated action plan.

Decision

1. To note the recommendation within the report; and
2. To agree that the IJB Internal Auditor would liaise with NHS Lothian to discuss the reporting systems in place.

10. WORKPLAN

The Committee noted the contents of the workplan (copies of which had been tabled).

The workplan was agreed, subject to including the following items:

- 06.01.17 - Independent Legal Advice Update – J Millar;
- 06.01.17 - Timetable of Meetings 2017/2018 – E Dow; and
- June 2017 – Implementation of Integration Scheme - Progress Update: S Field.

During the discussion the Chair asked if there was an expectation for IJB Audit Risk and Governance members to meet with external and internal auditors annually as part of the process of assurance.

The Governance Manager then provided legal advice stating that all meetings of the IJB Audit Risk and Governance Committee should be held in public to ensure openness and transparency.

It was recommended that the Committee note the contents of the workplan and additional items included.

Decision

Noted the contents of the workplan.