

Governance, Risk and Best Value Committee

10.00am, Thursday, 26 May 2016

The Audit Arrangements for the Edinburgh Integration Joint Board

Item number	7.2
Report number	
Executive/routine	
Wards	

Executive Summary

This report outlines the audit arrangements of the Edinburgh integration Joint Board and its duties compared to those still held by the City of Edinburgh Council.

Links

[Coalition Pledges](#)
[Council Priorities](#)
[Single Outcome Agreement](#)

The Audit Arrangements for the Edinburgh Integration Joint Board

1. Recommendations

- 1.1 To note the audit arrangements for the Edinburgh Integration Joint Board.
- 1.2 To note that the Governance, Risk and Best Value Committee would be informed if the Council's Internal Audit team were requested to undertake more than the three agreed reviews for the Edinburgh integration Joint Board.

2. Background

- 2.1 The Public Bodies (Joint Working) (Scotland) Act 2014 sets out the legislative framework for health and social care integration made up of the delegated powers from local authorities and health boards.
- 2.2 On 21 May 2015 the Governance, Risk and Best Value Committee requested clarity surrounding the audit arrangements for the then soon to be established health and social care integration joint board.
- 2.3 The City of Edinburgh Council and NHS Lothian agreed to create an integrated joint board and this new body, the Edinburgh Integration Joint Board (EIJB), first met on 17 July 2015.
- 2.4 On 1 April 2016, the EIJB commenced its responsibilities for its delegated functions which included the health and social care service carried out by the City of Edinburgh Council.

3. Main report

- 3.1 The EIJB agreed to create an audit and risk committee on 20 November 2015 and it met for the first time on 29 April 2016. The committee has a wide ranging remit (appendix 1), monitoring and scrutinising risk, considering the EIJB's annual accounts and considering all relevant internal and external audit work.
- 3.2 The committee is non-decision making and its prime role is to advise the EIJB on matters such as the risk management strategy and the annual accounts prior to the decision being taken. It does though have the power to agree its own internal audit plan.

- 3.3 The committee has six members of which two are from those appointed to the EIJB by NHS Lothian, two appointed by the City of Edinburgh Council and two non-voting members of the EIJB.
- 3.4 The Scottish Government has recommended that all integration joint boards appoint a chief internal auditor and that this appointment should be made from one of its constituent bodies. In the case of the EIJB this should be either the City of Edinburgh Council or NHS Lothian.
- 3.5 The EIJB is yet to formally appoint a chief internal auditor but the City of Edinburgh Council's Chief Internal Auditor is currently 'acting' in this role ensuring there is no delay in the initial set up arrangements for audit.
- 3.6 It is also the intention of the EIJB's Audit and Risk Committee to appoint a chief risk officer. This role has not yet been filled but PwC continue to support the EIJB's risk function on a short term basis.
- 3.7 Progress with the Committee's arrangements has been positive with the Internal Audit Charter being agreed at the meeting of 29 April 2016. The EIJB's risk register is in progress with a series of meetings already held with key stakeholders and the EIJB leadership team. Once completed, work will be undertaken on the risk strategy and assurance map which will facilitate the creation of the audit plan. The risk register is expected to be considered at the Audit and Risk Committee meeting on 20 May 2016.
- 3.8 The creation of an Integration Scheme was a requirement of establishing the EIJB. The Scheme sets out the delegated functions of the EIJB and it also outlines the approach to matters such as dispute resolution, risk management and governance.
- 3.9 The Integration Scheme outlined that the EIJB would be responsible for performance management but that the constituent bodies would still be responsible for matters including internal controls, quality and professional standards and compliance with the law. As a result the governance and assurance committees of the EIJB and its constituent bodies are interlinked and should operate a close relationship.
- 3.10 The EIJB will primarily draw its assurance from the systems of governance in place at NHS Lothian and the City of Edinburgh Council. The Audit and Risk Committee will play a critical role in supplementing this assurance and providing oversight of that governance for the EIJB.
- 3.11 The internal audit capacity for the EIJB has not yet been formally agreed but it has largely been developed. The City of Edinburgh Council has agreed that three audits will be made available to the EIJB's Audit and Risk Committee for their direction. NHS Lothian's internal audit function has proposed four audits covering the four IJBs in the NHS Lothian area but this has not yet been confirmed by NHS Lothian's audit committee. The Committee can decide to commission or receive work in addition to those audits provided by NHS Lothian or the City of Edinburgh Council if

it sees fit although this will need to be balanced with how this work is resourced and financed.

- 3.12 Due to the sharing of responsibilities on governance matters between the EIJB and its constituent bodies, it will be beneficial for all parties to share relevant information. For example audits carried out for the City of Edinburgh Council on health and social care services will be of interest to the EIJB. Likewise those audits carried out by the EIJB will also hold relevance to the City of Edinburgh Council. The Council's Internal Audit team intends to request that the relevant audits are referred onto the EIJB.
- 3.13 The Integration Scheme also sets out that the constituent parties will make all reasonable endeavours to ensure that if one of its committees identifies an issue which is of direct and material relevance to the EIJB, that this information is shared.
- 3.14 It will be a key role of the chief internal auditor to ensure a close working relationship between the EIJB and its constituent bodies to avoid duplication of work. Moreover, it is essential to share information between the four IJBs in the NHS Lothian area. Progress has been made in this area with initial discussions held and preliminary agreements to share reports been reached in principle.
- 3.15 The EIJB and its Audit and Risk Committee are new bodies which will develop considerably over time. The relationship and the interaction between the EIJB and its constituent bodies will also develop. It is expected that governance arrangements will alter to fit the development of the EIJB and how assurance can be best reached.

4. Measures of success

- 4.1 That all parties will have sufficient assurance and oversight of the delegated functions.

5. Financial impact

- 5.1 The costs for the Audit and Risk Committee and its audits are being borne from existing budgets.

6. Risk, policy, compliance and governance impact

- 6.1 It is essential that health and social care services are delivered successfully backed by robust governance arrangements. The responsibility for the scrutiny of these arrangements sits with the EIJB, NHS Lothian and the City of Edinburgh Council.

7. Equalities impact

7.1 There are no direct equalities impacts as a result of this report.

8. Sustainability impact

8.1 There is no direct sustainability impact as a result of this report.

9. Consultation and engagement

9.1 This report was shared with the Council's Chief Internal Auditor.

10. Background reading/external references

10.1 [Edinburgh Integration Joint Board 20 November 2015](#)

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11. Links

Coalition Pledges

Council Priorities

Single Outcome

Agreement

Appendices