

Governance, Risk and Best Value Committee

10.00am, Tuesday 26 September 2017

Principles to govern the working relationship between the City of Edinburgh Council Governance, Risk and Best Value Committee and the Edinburgh Integrated Joint Board Audit and Risk Committee

Item number	7.4
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive summary

This report sets out five proposed principles to govern the relationship between the City of Edinburgh Council Governance Risk and Best Value (GRBV) Committee and the Edinburgh Integration Joint Board (EIJB) Audit and Risk Committee.

These principles were approved by the EIJB Audit and Risk Committee at their last meeting on Friday 2 June 2017.

Report

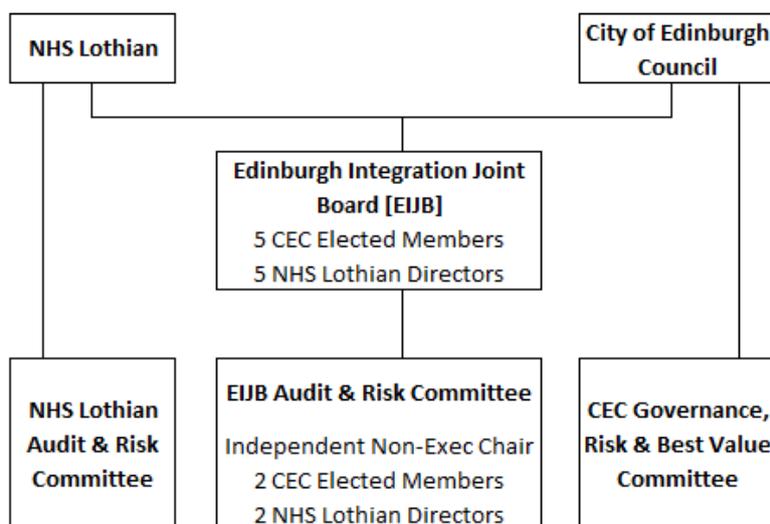
Principles to govern the working relationship between the City of Edinburgh Council Governance, Risk and Best Value Committee and the Edinburgh Integrated Joint Board Audit and Risk Committee

Recommendations

- 1.1 To ensure alignment with best practice governance arrangements, it is recommended that the Committee approve the five proposed principles to govern the working relationship between the Council's GRBV Committee and the EIJB Audit and Risk Committee detailed in this paper. These principles mirror those established to govern the relationship between the EIJB Audit and Risk Committee and the NHS Lothian Audit and Risk Committee.

Background

- 2.1 The EIJB is responsible for the strategic planning of the provision of Adult Health and Social Care services in the City. The EIJB's board consists of representatives from the Council and NHS Lothian. The services are delivered by the Edinburgh Health and Social Care Partnership, which consists of two partners, the Council and NHS Lothian.
- 2.2 The EIJB has its own scrutiny committee, the Audit and Risk Committee, and it is likely that there will be areas of overlap (particularly in relation to social care) in the scrutiny provided by the EIJB Audit and Risk Committee and the Council's GRBV Committee. The structural relationship between the two committees is set out in the diagram below:



- 2.3 It was recognised early in the inception process for the EIJB Audit and Risk Committee that it would be beneficial to share information (particularly in relation to Internal Audit) between the scrutiny committees of the EIJB, NHS Lothian and the Council.
- 2.4 This prompted NHS Lothian to draft a set of principles to govern the relationships between the NHS Lothian Audit and Risk Committee and the four Integrated Joint Boards Audit and Risk Committees (of which the EIJB Audit and Risk Committee is one), which represent the four Integrated Joint Boards to which NHS Lothian is party.
- 2.5 Input to the draft principles was provided by representatives of the EIJB and Officers of the Council who provide administrative support to the EIJB. The 'Provision of internal support services to the EIJB' was agreed at the Finance and Resources Committee on 23 March and then approved by the NHS Lothian Audit and Risk Committee in April 2017.
- 2.6 Five principles were then drafted to govern the relationship between the EIJB Audit and Risk Committee and GRBV. These 'mirror' the principles established between NHS Lothian and the EIJB Audit and Risk Committees, and were approved by the EIJB Audit and Risk Committee in June 2017.
- 2.7 Cooperation between the GRBV and EIJB Audit and Risk Committees is already occurring in relation to Internal Audit activity, with Council reports of interest to the EIJB being referred to the EIJB Audit and Risk Committee, and EIJB reports that may be of interest to the Council being referred to GRBV.
- 2.8 These Principles, which will be effective immediately, are intended to formally codify existing practices in how the two committees interact.

Main report

- 3.1 The five governance Principles proposed are:
 - 3.1.1 The Edinburgh Integration Joint Board (EIJB) Audit and Risk Committees and the City of Edinburgh Council Governance, Risk and Best Value (GRBV) Committee have an effective working relationship to take forward matters of common interest.
 - 3.1.2 To support the efficient conduct of business, there is a clear communication process from the EIJB Audit and Risk Committee to the City of Edinburgh Council GRBV Committee, and vice versa.
 - 3.1.3 The reports from the City of Edinburgh Council Internal Audit function shall be readily available to the EIJB Audit and Risk Committee. The reports from the EIJB Internal Audit function shall be readily available to the City of Edinburgh Council Governance, Risk and Best Value Committee.
 - 3.1.4 The minutes of the EIJB Audit and Risk Committee and the City of Edinburgh Council Governance, GRBV Committee shall be accessible.
 - 3.1.5 The City of Edinburgh Council internal audit plan shall take into account the requirements of the Edinburgh Integration Joint Board internal audit plan.

- 3.2 These principles, which will be effective immediately, together with 'guidance notes' detailing how they should be applied in practice are set out in further detail at Appendix 1.

Measures of success

- 4.1 Effective co-operation between this Committee and the Edinburgh Integrated Joint Board Audit and Risk Committee.
- 4.2 Effective co-operation between the City of Edinburgh Council and EIJB Internal Audit functions.

Financial impact

- 5.1 No direct financial impact.

Risk, policy, compliance and governance impact

- 6.1 These principles have been created to ensure that appropriate governance arrangements are established and applied to support the relationship between the City of Edinburgh Council's Governance Risk and Best Valued Committee and the Edinburgh Integration Joint Board Audit and Risk Committee.

Equalities impact

- 7.1 No direct impact.

Sustainability impact

- 8.1 No direct impact.

Consultation and engagement

- 9.1 Edinburgh Integration Joint Boards Audit and Risk Committee.

Background reading/external references

- 10.1 [Provision of internal support services to the Edinburgh Integration Joint Board, report to Finance and Resources Committee, 23 March 2017](#)

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11. Appendices

Appendix 1 – Principles to govern the working relationship between the Edinburgh Integration Joint Board Audit and Risk Committee and the City of Edinburgh Council Governance, Risk and Best Value Committee.

Appendix 1 - Principles to Underpin Working relationships between EIJB A&R and CEC GRBV Committees.docx

PRINCIPLE 1: The Edinburgh Integrated Joint Board Audit and Risk Committees and the City of Edinburgh Council Governance, Risk and Best Value Committee have an effective working relationship to take forward matters of common interest.

How will this work in practice?

- ✓ The committees, chief internal auditors and management from the Edinburgh Integration Joint Board (EIJB) and the City of Edinburgh (CEC) Council shall work collaboratively to resolve issues and risks, recognising that for some issues and risks there are interdependencies between the organisations.
- ✓ In the event that the CEC Council Governance, Risk & Best Value Committee (GRBV) should wish to call the attention of the EIJB Audit & Risk Committee (A&R) to a specific matter, the Convenor will refer the matter through the established communication channel (see below), flagging the need for the matter to be drawn to the attention of the Chair of the EIJB A&R and the EIJB Chief Officer. The matter could arise from any aspect of the Committee's business, e.g. audit reports or risks identified from risk management reports.
- ✓ In the event that the EIJB A&R identifies a matter of direct and material relevance to the GRBV, the Chair will refer the matter through the established communication channel (see below), flagging the need for the matter to be drawn to the attention of the GRBV and CEC Chief Executive.
- ✓ The EIJB A&R has the right to require CEC management to attend their meetings, should they wish to discuss an internal audit report with them. However it is agreed that this right would be exercised after due consideration and would probably be exceptional. In the normal course of events the EIJB A&R will in the first instance rely on the scrutiny and oversight work of the GRBV.

Appendix 1 - Principles to Underpin Working relationships between EIJB A&R and CEC GRBV Committees.docx

PRINCIPLE 2: To support the efficient conduct of business, there is a clear communication process from the Edinburgh Integrated Joint Board Audit & Risk Committee to the City of Edinburgh Council Governance, Risk & Best Value Committee, and vice versa.

How will this work in practice?

- ✓ In the event that the EIJB A&R wishes to raise a matter directly with the GRBV, the EIJB Chief Finance Officer will be tasked with communicating the request.
- ✓ The EIJB Chief Finance Officer shall send the request to the Clerk of the GRBV (currently Gavin King, gavin.king@edinburgh.gov.uk). The Clerk shall process the request accordingly.
- ✓ With regard to communication from GRBV to the EIJB A&R, the Clerk of the GRBV shall send the information to the EIJB Chief Finance Officer (currently Moira Pringle, moira.pringle@nhslothian.scot.nhs.uk).

PRINCIPLE 3: The reports from the City of Edinburgh Council internal audit function shall be readily available to the Edinburgh Integrated Joint Board Audit & Risk Committee. The reports from the Edinburgh Integrated Joint Board internal audit function shall be readily available to the City of Edinburgh Council Governance, Risk & Best Value Committee.

How will this work in practice?

- ✓ The EIJB A&R shall refer any relevant EIJB internal audit reports to the GRBV, and reflect that referral in their minutes. The EIJB Chief Internal Auditor shall send the reports to the CEC Chief Internal Auditor (currently Lesley Newdall, lesley.newdall@edinburgh.gov.uk) and the Clerk of the GRBV.
- ✓ The GRBV shall refer any relevant CEC internal audit reports to the EIJB A&R, and reflect that referral in their minutes. The CEC Chief Internal Auditor shall send the reports to the EIJB Chief Internal Auditor (currently Lesley Newdall, lesley.newdall@edinburgh.gov.uk) and the EIJB Chief Financial Officer.

Appendix 1 - Principles to Underpin Working relationships between EIJB A&R and CEC GRBV Committees.docx

PRINCIPLE 4: The minutes of the Edinburgh Integrated Joint Board Audit & Risk Committee and the City of Edinburgh Council Governance, Risk & Best Value Committee shall be accessible.

How will this work in practice?

- ✓ The GRBV minutes will be available within the Board papers on its website, and the Clerk of the GRBV will advise the EIJB Chief Finance Officer when they are available.
- ✓ The EIJB A&R minutes will be available on the website of the City of Edinburgh Council, and the EIJB Chief Finance Officer will advise the Clerk of the GRBV when they are available.

PRINCIPLE 5: The City of Edinburgh Council internal audit plan shall take into account the requirements of the Edinburgh Integration Joint Board internal audit plan.

How will this work in practice?

- ✓ The EIJB Chief Internal Auditor shall liaise with the CEC Chief Internal Auditor when developing the EIJB internal audit plan. The CEC Chief Internal Auditor shall set aside time to accommodate EIJB audit work.
- ✓ The CEC internal audit plan shall be developed in the spirit of collaboration and co-ordination, to ensure that the CEC internal audit resource deployed to support EIJB internal audit plan is being used effectively and with due regard to residual risk.