

## Item 4.2.1



# Minutes

## Audit and Risk Committee

**10.00am, Friday 8 March 2019**

Dunedin Room, City Chambers, Edinburgh

### Present:

Councillor Susan Webber (Chair), Mike Ash, Christine Farquhar and Richard Williams.

**Officers:** Nick Bennett (Scott-Moncrieff), Pamela Brown (Internal Audit), Laura Calder (Internal Audit), Nicola MacKenzie (Scott-Moncrieff), Jamie Macrae (Committee Services, CEC), Lesley Newdall (Chief Internal Auditor), Moira Pringle (Chief Finance Officer), and Cathy Wilson (CEC – ESHCP).

**Apologies:** Councillor Robert Aldridge.

## 1. Minutes

---

### Decision

To approve the minute of 16 November 2018 as a correct record, subject to a correction regarding Christine Farquhar's declaration of interest as a company director/trustee of VOCAL.

## 2. Outstanding Actions

---

### Decision

- 1) To agree to close Actions 4(1).
- 2) To otherwise note the outstanding actions.

(Reference – Outstanding Actions, submitted.)

### 3. Work Programme

---

#### Decision

To note the Work Programme and upcoming reports.

(Reference – Audit and Risk Committee Work Programme, submitted.)

### 4. Internal Audit Update for the period 22 October 2018 to 15 February 2019

---

Details were provided of progress with Internal Audit assurance delivered on behalf of the Edinburgh Integration Joint Board (EIJB) by the Internal Audit teams of the Joint Board's partners, the City of Edinburgh Council and NHS Lothian, during the period 22 October 2018 to 15 February 2019. Three of the four EIJB Internal Audits included in the Internal Audit plan approved by the Committee in July 2018 had commenced. The fourth review was currently in planning. As at 15 February 2018, the EIJB had a total of 16 open Internal Audit findings (10 High and 6 Medium). Of these, 12 (6 High and 6 Medium) were currently overdue. Consequently, the EIJB continued to be exposed to the risks associated with these findings, as detailed in the original Internal Audit reports.

#### Decision

- 1) To note progress with delivery of the Edinburgh Integration Joint Board 2018/19 Internal Audit plan.
- 2) To note the challenges with delivery of the Partnership Infrastructure and Support – Integration Scheme review.
- 3) To approve the proposed change of scope for the Strategic Planning review.
- 4) To note progress with implementation of agreed management actions to support closure of Internal Audit findings raised.
- 5) To note that discussions with NHS Lothian in relation to the Internal Audit assurance approach were ongoing.
- 6) To refer this report to the City of Edinburgh Council's Governance, Risk, and Best Value Committee for their information, as a number of the open Edinburgh Integration Joint Board Internal Audit findings related to operational service delivery for the Health and Social Care Partnership by the Council.

#### Declaration of interests

Christine Farquhar declared a non-financial interest in this item as the ex-Chair of a third sector organisation, as a company director/trustee of VOCAL and as the guardian of an individual in receipt of Direct Payments.

(Reference – report by the Chief Internal Auditor, submitted.)

## 5. Draft Edinburgh Integration Joint Board Internal Audit Charter 2019/20

---

The revised draft Internal Audit Charter for 2019/20 was presented for the Audit and Risk Committee's approval on behalf of the Edinburgh Integration Joint Board (EIJB). This was a requirement of the Public Sector Internal Audit Standards (PSIAS), which specified that the purpose, authority, and responsibility of Internal Audit must be formally defined in an Internal Audit Charter that was periodically reviewed, and presented to senior management and the board for approval.

### Decision

- 1) To approve and sign the refreshed 2019/20 Internal Audit Charter.
- 2) To refer the approved Charter to both the Council's Governance, Risk and Best Value Committee, and the NHS Lothian Audit and Risk Committee, with a request that it is signed by the Conveners of the respective committees to confirm that both partner organisations would support delivery of the 2019/29 Edinburgh Integration Joint Board Internal Audit annual plan and opinion in line with the authority delegated by the EIJB to IA.

### Declaration of interests

Christine Farquhar declared a non-financial interest in this item as the ex-Chair of a third sector organisation, as a company director/trustee of VOCAL and as the guardian of an individual in receipt of Direct Payments.

(Reference – report by Chief Internal Auditor, submitted.)

## 6. Internal Audit Annual Plan 2019/20

---

The Internal Audit Annual Plan and supporting risk assessment for the period 1 April 2019 to 31 March 2020 was submitted for approval. Four reviews were included in the draft plan in order to provide assurance on the control frameworks designed to manage the Joint Board's most significant risks.

### Decision

- 1) To approve the draft 2019/20 Internal Audit plan and supporting risk assessment.
- 2) To refer the approved Edinburgh Integration Joint Board Internal Audit plan to both the Council's Governance, Risk and Best Value Committee, and the NHS Lothian Audit and Risk Committee for information.

### Declaration of interests

Christine Farquhar declared a non-financial interest in this item as the ex-Chair of a third sector organisation, as a company director/trustee of VOCAL and as the guardian of an individual in receipt of Direct Payments.

(Reference – report by Chief Internal Auditor, submitted.)

## 7. Edinburgh Integration Joint Board – External Audit Plan 2018/19

---

The External Audit Plan for 2018/19 was presented. Details were provided of the work carried out, which included an audit of the IJB's 2018/19 annual accounts, a review of the Joint Board's arrangements for governance and transparency, financial management, financial sustainability and value for money and other work requested by Audit Scotland.

### **Decision**

To note the Edinburgh Integration Joint Board External Audit Plan for 2018/19.

### **Declaration of interests**

Christine Farquhar declared a non-financial interest in this item as the ex-Chair of a third sector organisation, as a company director/trustee of VOCAL and as the guardian of an individual in receipt of Direct Payments.

(Reference – report by Scott-Moncrieff, submitted.)

## 8. IJB Risk Register

---

The latest version of the Edinburgh Integration Joint Board risk register was submitted for consideration and to update the committee on the processes which are being established to manage, mitigate and escalate risks.

### **Decision**

- 1) To note the continued development of mitigating controls for IJB risks.
- 2) To note the management actions identified against the current risks.
- 3) To note the addition of two new additional risks.
- 4) To note progress made with the IJB risk register action plan.
- 5) To note that the upcoming work on the IJB's risk appetite may impact the current arrangements for risk appetite.

### **Declaration of interests**

Christine Farquhar declared a non-financial interest in this item as the ex-Chair of a third sector organisation, as a company director/trustee of VOCAL and as the guardian of an individual in receipt of Direct Payments.

(Reference – report by the Chief Finance Officer, submitted.)

## 9. IJB Records Management Plan

---

A verbal update was provided on the IJB Records Management Plan. The Plan was submitted to the Keeper of Records after it was signed off by the Joint

Board. A further update would be provided after the Keeper of Records had responded.

**Decision**

To note the update.

(Reference – Audit and Risk Committee, 16 November 2018 (item 5))

**10. Date of next meeting**

---

**Decision**

To agree that a briefing session for Audit and Risk Committee members on Outstanding Internal Audit Actions would be held at 9:30-11:30am on 31 May 2019, prior to the Audit and Risk Committee at 11:30am-1pm.