

ABERDEENSHIRE INTEGRATION JOINT BOARD

AUDIT COMMITTEE

SKYPE MEETING, 31 MARCH, 2021

Audit Committee Members:

Ms A Anderson, (Chair); Mr D Hekelaar; Provost W Howatson;
Ms R Little; and Councillor G Reynolds (as substitute for Councillor
D Robertson.

Apologies: Councillor D Robertson and Ms I Kirk.

In attendance: Ms A MacDonald, Senior Audit Manager, Audit Scotland.

Officers: Ms A Wood, Interim Chief Officer, Aberdeenshire Health and Social
Care Partnership; Mr A Sharp, Chief Finance Officer; Mr C Harvey,
Interim Chief Internal Auditor; Ms L Boyd, Programme Manager (for
Item 10); and Mr N David, Senior Committee Officer.

1. DECLARATION OF INTERESTS

No interests were declared.

2. STATEMENT OF EQUALITIES

In making decisions on the following items of business, the Audit Committee **agreed**,
in terms of Section 149 of the Equality Act, 2010:-

- (1) to have due regard to the need to:-
 - (a) eliminate discrimination, harassment and victimisation;
 - (b) advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
 - (c) foster good relations between those who share a protected characteristic and persons who do not share it.

3. MINUTE OF MEETING OF AUDIT COMMITTEE OF 9 DECEMBER, 2020

There had been circulated the Minute of Meeting of 9 December 2020. The Minute
was **approved** as a correct record.

4. FUTURE CHAIRING ARRANGEMENTS

The Chair reminded members that, with effect from the end of April 2021, the role of
Chair of the Committee would change to the responsibility of an Aberdeenshire
Councillor for a period of 18 months.

The Committee were also advised that Councillor Robertson had indicated his intention to stand down from the Audit Committee, although he would remain a member of the Integration Joint Board (IJB).

The Committee **noted** that a report would be submitted to the next meeting of the IJB seeking nomination of an Aberdeenshire Councillor to the Audit Committee to replace Councillor Robertson; the intention was that it would be Councillor Reynolds; and thereafter at the next meeting of the Audit Committee on 23 June 2020 it was intended that Councillor Reynolds be appointed as Chair.

5. REVIEW OF ACTION LOG

There had been circulated a report by the Chief Finance Officer providing an update on actions which had been agreed at the meetings on 21 August and 27 November 2019 and 26 February, 24 June, 30 September and 9 December 2020.

The Chief Finance Officer provided an update in respect of the following: Medium Term Financial Strategy to be submitted to the Integration Joint Board in February 2021; Progress against internal audit recommendations; and review of the Model Code of Conduct.

The Committee **agreed** to note the position in respect of the matters detailed within the report.

6. BUSINESS PLANNER

There had been circulated a report by the Chief Finance Officer which explained that at the meeting on 9 December 2020 it had been agreed to the adoption of a business planner.

The business planner provided a forward view of the work plan of the Committee. It had also been agreed that the business planner should be reviewed at each meeting and updated on a rolling basis thereafter. The workplan contained in the business planner covered: Standing Items (Action Log, Business Planner, Internal Audit update); Items that required to be considered at a particular point in the year (e.g. Annual Accounts review and approval and External Audit report); and one off items that could be scheduled at any point in the year (e.g. relevant national reports, review of remit and review of risk register). There was still sufficient flexibility in the forward workplan for the Committee to include any specific reviews or ad hoc pieces of work that may be instructed.

The Committee **agreed** to acknowledge the current draft business planner for the Committee.

7. INTERNAL AUDIT REPORTS

There had been circulated a report dated 18 March 2021 by the Interim Chief Internal Auditor advising of completed Audits and progress in implementing agreed recommendations relating to Data Protection (Report 2005, March 2021).

The Committee **agreed** to note and approve for their interest the update on Internal Audit Reports 2005 and the progress with implementing previously agreed recommendations, as detailed in the report.

8. INTERNAL AUDIT PLAN 2021/22

There had been circulated a report dated 18 March 2021 by the Interim Chief Internal which sought approval of the Internal Audit Plan 2021/22.

The report explained that it was one of the duties of the Integration Joint Board (IJB) Audit Committee to receive and consider the Annual Internal Audit plan on behalf of the Integration Joint Board and, thereafter, receive reports on that planned work.

The report further explained that Aberdeenshire Council's Audit Committee would be asked to approve the 2021/22 Internal Audit Plan relating to Adult Social Care Services in the Council on 25 March 2021 (attached as Appendix B to the report) and the basis on which the overall plan was developed. The Committee had previously approved the sharing of outputs from these reviews with the Aberdeenshire IJB Audit Committee for information. The Internal Audit plan, as it related to the IJB, was attached at Appendix A. Assurance would also be taken from the wider work of Internal Audit within Aberdeenshire, specific work relating to Adult Social Care Services in the Council, and from NHS Grampian Internal Audit reports, amongst other sources.

The Committee **agreed** to approve the 2021/22 Internal Audit Plan.

9. RISK ASSESSMENT OF OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

There had been circulated a report dated 21 March 2021 by the Chief Finance Officer which provided a risk assessment of outstanding Internal Audit Recommendations.

The report explained that at the Committee on 9 December 2020 it was noted that a number of Internal Audit recommendations were past their recommended implementation dates. It had also been noted that due to the impact of Covid-19 in 2020/21 there had been less management focus than normal on progressing Internal Audit recommendations as management efforts had been realigned to dealing with the operational challenges. Audit Committee members stated that they were keen to understand the residual risks posed to the Integration Joint Board of Internal Audit Recommendations exceeding their due date, and therefore requested that the service provide a written response on the position to a future meeting. The report provided that response and an assessment for each outstanding recommendation of the residual risk posed to the IJB and mitigating actions that have been taken to deal with the risk.

The report highlighted the overdue Internal Audit Recommendations in Appendix A. There were seven overdue recommendations from the following reports: Post Integration Review (two recommendations); Community Hospital and Homecare Staff Costs (one recommendation); Business Continuity Recommendations (two

recommendations); IJB Service Standards (one recommendation); Budget Setting; and Monitoring and Financial Reporting (one recommendation).

The Committee **agreed** to acknowledge the risks posed by recommendations made in Internal Audit reports which had now passed their recommended implementation date and the actions that were in place to mitigate these risks.

10. REVIEW OF STRATEGIC RISK REGISTER

There had been circulated a report dated 21 March 2021 by the Chief Finance Officer which on the Strategic Risk Register of the Integration Joint Board (IJB).

Ms Lynn Boyd, Programme Manager, Strategy and Business Services, joined the meeting to present this report.

The report explained that the Strategic Risk Register was reviewed regularly as part of a robust risk monitoring framework, to identify, assess and prioritise risks related to the delivery of services in relation to delegated functions, particularly any which were likely to impact on the delivery of the Strategic Plan. The Aberdeenshire IJB Strategic Risk Register was attached as an appendix and set out the inherent risks being faced by the IJB, together with a current assessment on the level of the risks and any mitigating actions being taken to reduce the impact of the risks. Risks were weighted, based on assessment of their likelihood and corresponding impact, as per the IJB Risk Management Strategy. Any gaps in controls and action being taken were also outlined on the Strategic Risk Register.

The Audit Committee **agreed** to acknowledge the Strategic Risk Register for the Integration Joint Board.

11. UPDATE ON ANNUAL GOVERNANCE STATEMENT ACTION PLAN AND EXTERNAL AUDIT ACTION PLAN

There had been circulated a report dated 17 March 2021 by the Chief Finance Officer which provided an update on the Annual Governance Statement Action Plan and External Audit Action Plan.

The report explained that the Annual Governance Statement (AGS) formed a key part of the Integration Joint Board's (IJB) Annual Accounts. It provided readers of the accounts with assurance that the governance framework was fit for purpose. The AGS contained an Action Plan which described planned improvements in governance arrangements for the forthcoming year. The report updated the Committee on progress against the AGS Action Plan for 2019/20. Each year the IJB's Annual Accounts were audited by an external auditor. For Aberdeenshire IJB the appointed auditors were Audit Scotland. Audit Scotland make recommendations in their audit report which IJB management respond to. The report updated the Committee on progress against the recommendations made by Audit Scotland on the 2019/20 IJB Accounts.

The Committee **agreed** to acknowledge the updates provided for the Annual Governance Statement Action Plan and External Audit Action Plan.

12. EXTERNAL AUDIT – DRAFT ANNUAL AUDIT PLAN 2020/21

There had been circulated a report dated 22 February 2021 by the Chief Finance Officer, including the External Audit draft Annual Audit Plan for 2020/21, to be carried out by Audit Scotland.

The report explained that the External Auditor's Audit Plan for the audit of the 2020/21 financial year was attached. This was year five of Audit Scotland's audit appointment. Normally, this would be the final year of the audit appointment, but due to the impact of the Covid-19 pandemic, all public sector audit appointments were extended by one year. Audit Scotland's current appointment would therefore now include financial year 2021/22.

Having heard further from Ms A MacDonald, Audit Scotland, the Committee **agreed** to note the draft Audit Plan for External Audit for 2020/21, as detailed in the report.

13. UPDATE FROM OTHER AUDIT COMMITTEES

There had been circulated a report dated 18 March 2021 by the Chief Finance Officer which provided an update from other Audit Committees.

The report explained that the Chair of the Committee had suggested that the scrutiny role of the Audit Committee could be enhanced by a knowledge of relevant issues that considered by other local Audit Committees which would enable Committee members to be aware of relevant audit issues which have implications for Aberdeenshire Integration Joint Board.

The report provided an update on the recent meetings on the Audit Committees of NHS Grampian, Aberdeen City Integration Joint Board and Moray Integration Joint Board. It highlighted issues which may be of relevance to Aberdeenshire Integration Joint Board.

The Committee **agreed** to acknowledge the relevant items that had been reviewed by other local Audit Committees and the implications for Aberdeenshire Integration Joint Board.

14. AUDIT SCOTLAND REPORT ON NHS IN SCOTLAND 2020

There had been circulated a report dated 18 March 2021 by the Chief Finance Officer which provided an update from other Audit Committees.

The report explained that Audit Scotland published their report on the Overview of the NHS in Scotland 2020 in February 2021. Although the primary focus of the report was on the financial and service performance of Health Boards and their response to the Covid 19 pandemic, the report does also referenced Integration Joint Board (IJB) arrangements in a number of areas.

A key point highlighted in the report was that remobilising the full range of NHS services was challenging and maintaining innovation and learning from the

pandemic would be essential. Covid-19 had led to a substantial backlog of patients waiting for treatment. NHS boards were prioritising those in most urgent need; those who were of lower clinical priority will have to wait longer. NHS leaders needed to work collaboratively, in partnership across public services, to deal with the ongoing challenges caused by Covid-19 and to remobilise services.

The Committee **agreed** to note the Audit Scotland report on the Overview of the NHS in Scotland 2020 with reference to those matters of relevance to Aberdeenshire IJB.

15. MEETING DATES 2021

There had been circulated a report dated 21 March 2021, by the Chief Finance Officer on updating the previously agreed meeting dates for 2021.

The Committee **agreed** that the remaining meetings of the Integration Joint Board Audit Committee take place in 2021, at 2.30pm, on:

23 June
29 September
3 November

16. CONSIDERATION OF REPORT TO BOARD

There was discussion of which matters might be reported to the Integration Joint Board, in advance of its formal presentation of approved Audit Committee Minutes. It was **agreed** the Chief Finance Officer report to the next Integration Joint Board on (a) Charing arrangements; (b) Business Planner; (c) Risk Assessment of Outstanding Internal Audit Recommendations; and (d) Audit Scotland Report on NHS.