

ABERDEENSHIRE INTEGRATION JOINT BOARD

AUDIT COMMITTEE

VIRTUAL MEETING, 12 OCTOBER, 2022

Audit Committee Members:

Ms A Anderson (Chair), Councillor G Reynolds (Vice Chair),
Mr D Hekelaar, Ms I Kirk and Councillor G Lang.

Apologies: Ms J Duncan.

In attendance: Councillor R Cassie (Chair, Aberdeenshire Council Audit Committee) and Ms A MacDonald, Senior Audit Manager, Audit Scotland.

Officers: Ms P Milliken, Chief Officer, Aberdeenshire Health and Social Care Partnership, Mr C Smith, Chief Finance Officer, Mr J Dale, Chief Internal Auditor, and Mr N David, Senior Committee Officer.

INTRODUCTION

The Chair, Amy Anderson, welcomed everyone to the meeting and highlighted that Councillor Ross Cassie, Chair of Aberdeenshire Council's Audit Committee was present. This was to enhance partnership working between the two Audit Committees, with the Chair of the Integration Joint Board Audit Committee herself to be invited to future Aberdeenshire Council Audit Committee meetings.

1. DECLARATION OF INTERESTS

The Chair asked Members if they had any interests to declare. No interests were declared.

2. STATEMENT ON 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 20 JUNE, 2022

The Minute of Meeting of the Committee of 20 June, 2022 had been circulated. It was agreed that the sederunt be amended to include Jeff Shaw's name as well as post title. Thereafter it was **approved** as a correct record.

4. 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, 2019 and 24 June, 2020.

The Chief Finance Officer provided information in respect of outstanding actions on: the Medium Term Financial Strategy, which was approved at the Integration Joint Board in August 2022; and business continuity planning arrangements for primary care providers, which would be considered by the re-established Aberdeenshire Health and Social Care Partnership Resilience Group which had now been deferred to the Resilience Group Meeting in Quarter 3 2022.

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

5. BUSINESS PLANNER REVIEW

There had been circulated a report dated 29 September, 2022 by the Chief Finance Officer, which provided a forward view of the work plan of the Committee.

The Chief Finance Officer introduced the report and advised that there was sufficient flexibility in the forward workplan to incorporate further items into future agendas and highlighted the reports which had been instructed by the Committee, as well as reports expected to be submitted due to the remit of the Committee. These were detailed in an appendix to the report.

The detailed appendix to the report included items for consideration at the meetings of the Committee in December 2022 and March 2023.

For the December 2022 meeting, in addition to the standing items, these included: National Care Service Update; IJB Risk Assurance Group Update; Presentation on Priority Areas; Updates from Other Audit Committees; and Review of relevant Audit Scotland reports.

For the March 2023 meeting, in addition to the standing items, these included: Aberdeenshire IJB Internal Audit Plan; Presentation on Priority Areas; External Audit - Draft Annual Audit Plan 2022/23; IJB Risk Assurance Group Update; Update from Other Audit Committees; and Review of relevant Audit Scotland reports.

Following discussion, the Committee **agreed**:-

- (1) to acknowledge the current business planner and items for consideration for by the Committee, as detailed in Appendix 1 to the report; and

- (2) that "Winter Planning" be added as an item for consideration at the December 2022 meeting.

6. INTERNAL AUDIT REPORTS

At the outset of this item the Chief Internal Auditor gave a presentation on Internal Audit Methodology. This covered the methodology in respect of Risk Level; Net Risk Rating/Assurance Assessment; and Individual Issue/Risk Level.

There had been circulated a report dated 28 September, 2022 by the Chief Internal Auditor advising the Committee of the outcomes of completed audits.

The report explained that the results from individual audit activities had not previously been considered by this, or another Committee, with the exception of any outputs relating to audits contained in the Aberdeenshire Council Internal Audit Plan that related to Adult Social care. In such cases, the output would have been considered by the Aberdeenshire Council Audit Committee prior to being considered by this Committee.

The Internal Audit reports which had been finalised and agreed with services since the Audit Committee's last meeting were: Internal Audit Report 2210 – Care First System – July 2022 ; and Internal Audit Report 2301 – Aberdeenshire Alcohol and Drugs Partnership Governance Arrangements – August 2022. These were detailed in Appendices A and B to the report.

To assist the Committee Appendix C detailed Grading of Recommendations (Historic) and Appendix D detailed Grading of Recommendations (Current).

Following discussion, the Committee **agreed**:-

- (1) to note the issues raised within the report and appendices relating to Internal Audit Report 2210 – Care First System – July 2022 ; and Internal Audit Report 2301 – Aberdeenshire Alcohol and Drugs Partnership Governance Arrangements – August 2022;
- (2) to note that, in respect of Internal Audit Report 2301 – Aberdeenshire Alcohol and Drugs Partnership Governance Arrangements – August 2022, that it was also to be considered by the Aberdeenshire Council Audit Committee;
- (3) that the outcome of the consideration of Internal Audit Report 2301 – Aberdeenshire Alcohol and Drugs Partnership Governance Arrangements – August 2022 by Aberdeenshire Council's Audit Committee be reported to the Committee by the Chief Finance Officer; and
- (4) that, to enable and assist the Committee, the Chief Finance Officer develop a diagram in the form of a flow chart to outline the system of governance, risk management and control.

7. INTERNAL AUDIT UPDATE REPORT

There had been circulated a report dated 28 September, 2022 by the Chief Internal Auditor which provided an update on Internal Audit's work. Details were provided of the progress against the approved Internal Audit plans, audit recommendations follow up, and other relevant matters for the Committee to be aware of.

The report reminded Members that Internal Audit's primary role was to provide independent and objective assurance on the Board's risk management, control and governance processes. This required a continuous rolling review and appraisal of the internal controls of the Board, and the Council overall, involving the examination and evaluation of the adequacy of systems of risk management, control and governance, making recommendations for improvement where appropriate. Reports were produced relating to each audit assignment and summaries of these were provided to the Audit Committee.

The full update report was included as an appendix to the report.

Following discussion, the Committee **agreed** to note:-

- (1) the progress of the Internal Audit Plan;
- (2) the progress that management had made with implementing recommendations agreed in Internal Audit Reports; and
- (3) the approach to be taken for the 2023 to 2026 audit planning process.

8. INTEGRATION JOINT BOARD ASSURANCE GROUP UPDATE

With reference to the Minute of Meeting of the Committee of 30 March, 2022 (Item 8), there had been circulated a report dated 29 September, 2022 by the Chief Finance Officer, which provided an Integration Joint Board (IJB) Assurance Group update.

The report reminded Members that at the Audit Committee meeting of 30 March, 2022 the Committee agreed to the proposal to establish a Risk Assurance Group, terms of reference and the governance structure of the Risk Assurance Group. The Committee also agreed that an update should be provided at each meeting of the Audit Committee.

The Group had the first meeting on 21 June, 2022 and subsequently on the 12 September, 2022. The minutes of these meetings were attached as appendices. The main areas covered at these meetings had been: Reporting Arrangements; Risk Register Update; and two presentations on risk priority areas of review, namely Fire and Analogue to Digital.

Following discussion, the Committee **agreed**:-

- (1) to note the updates from the IJB Risk Assurance Group, as detailed in Appendices 1 and 2 to the report; and
- (2) that the updated Risk Policy and Procedures be presented to the Committee at the meeting in December 2022 for review and approval.

9. UPDATES FROM OTHER AUDIT COMMITTEES

There had been circulated a report dated 29 September, 2022 by the Chief Finance Officer, which provided an update on the recent meetings of the Audit Committees of NHS Grampian, Aberdeen City Integration Joint Board and Moray Integration Joint Board. It highlighted issues of relevance to Aberdeenshire Integration Joint Board.

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

The report highlighted the following issues which the Committee discussed:

- From NHS Grampian Audit Committee - Cyber Security Update – Outcome of Network and Information Systems (NIS) Regulations Audits; Counter Fraud Activity; and National Service Audit Reports.
- From Aberdeen City Integration Joint Board Audit Committee - Adult Support Team; and Hosted Services.
- From Moray Integration Joint Board Audit Committee - Social Care and CareFirst System Information Governance Review; Cyber Security; and Information Management.

The Committee **agreed** to acknowledge the relevant items that have been considered by other local Audit Committees and the implications for Aberdeenshire Integration Joint Board and to continue this valuable exercise at future meetings.

10. DATES OF FUTURE AUDIT COMMITTEE MEETINGS

On a circulated report dated 29 September, 2022, by the Chief Finance Officer, the Committee **agreed** that meetings of the Committee take place on the following dates in 2023, all starting at 2.30 pm:

1 March, 2023

5 July, 2023

11 October, 2023

6 December, 2023

11. INTEGRATION JOINT BOARD AUDITED ANNUAL ACCOUNTS FOR YEAR TO 31 MARCH, 2022 AND EXTERNAL AUDITOR'S REPORT TO THE BOARD 2021/22

There had been circulated a report dated 3 October, 2022 by the Chief Finance Officer on the Audited Annual Accounts for the year to 31 March, 2022 and the External Auditor's Report to the Board 2021/22.

The covering report reminded Members that Aberdeenshire Integration Joint Board (IJB) had a statutory responsibility to prepare its Annual Accounts following the 31 March financial year end. With the integration start date being 1 April, 2016, this was the fifth full year of formal accounts. The format of the accounts followed local authority accounts and hence complied with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The report highlighted that preparation of the accounts must also be in accordance with the Local Authority Accounts (Scotland) Regulations 2014 and these included a requirement that the IJB, or a Committee with audit responsibilities, must meet to consider the audited Annual Accounts for signature. The Audit Committee discussed the unaudited accounts at the meeting on 20 June, 2022. Since then, the external audit of the accounts had been completed and the audit certificate was unmodified, which provided assurance that the financial statements gave a true and fair view of the financial position of Aberdeenshire Integration Joint Board as at 31 March, 2022. The Annual Accounts for 2020/21 formed an appendix to the report. Progress made towards addressing the issues raised in the External Auditor's Audit Report 2019/20 were contained in the Annual Governance Statement of the Annual Accounts.

The Committee **agreed** to:-

- (1) acknowledge the External Auditor's Report, included as an appendix;
- (2) note the unmodified audit certificate;
- (3) acknowledge the audited Annual Accounts for the year to 31 March, 2022 and approve them for signature; and
- (4) approve the action plan contained within the External Auditor's Report and agree that a report on the progress towards achieving the actions be submitted to the Committee in early 2023.