

**INVERCLYDE INTEGRATION JOINT BOARD AUDIT COMMITTEE – 21 SEPTEMBER 2020****Inverclyde Integration Joint Board Audit Committee****Monday 21 September 2020 at 1pm**

**Present:** Councillors E Robertson and L Rebecchi, Mr A Cowan, Ms P Speirs and Mr S McLachlan.

**Chair:** Mr Cowan presided.

**In attendance:** Ms L Long, Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership, Ms A Priestman, Chief Internal Auditor, Ms L Aird, Chief Financial Officer, HSCP and Interim Head of Strategy & Support Services, Ms V Pollock (for Head of Legal & Property Services), Ms S Lang and Ms D Sweeney (Legal & Property Services).

The meeting was held by video conference.

Prior to the commencement of business, the Chair welcomed Paula Speirs who had recently been appointed as a Voting Member of the Committee.

**12 Apologies, Substitutions and Declarations of Interest 12**

No apologies for absence or declarations of interest were intimated.

**13 Minute of Meeting of Inverclyde Integration Joint Board Audit Committee of 17 March 2020 13**

There was submitted the minute of the Inverclyde Integration Joint Board (IJB) Audit Committee of 17 March 2020.

**Decided:** that the minute be agreed.

**14 Rolling Action List 14**

There was submitted a list of rolling actions arising from previous meetings of the IJB Audit Committee.

During discussion on this item, the Chief Financial Officer confirmed in response to a question that at the present time, there were no particular concerns as to sustainability as the Integration Joint Board had a very healthy reserves position and a number of the offsets were also coming into effect. If this position changed, however, this would be reported at the earliest opportunity.

**Decided:**

(1) that an additional meeting of the IJB Audit Committee be scheduled for 1pm on Monday 2 November 2020, prior to the IJB at 2pm, the items of business to include the External Audit Report and Annual Accounts 2019/20 and a report on earmarked and free reserves linked to COVID-19;

(2) that the development day focusing on risk management, referred to at the March meeting of the Committee, be added to the Rolling Action List and that it be remitted to the Chief Officer to develop a programme for this to be undertaken as a virtual session in conjunction with CIPFA, if possible prior to Christmas 2020 but in any event by January 2021.

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### 15 Draft IJB Audit Committee Workplan 2020/21 15

There was submitted a draft workplan for the IJB Audit Committee for 2020/21. During the course of discussion on this item, reference was made to the COVID-19 Guide for Audit and Risk Committees recently issued by Audit Scotland which sets out suggested questions for Audit Committee Members to help them to scrutinise effectively and challenge in key areas.

**Decided:** that the draft IJB Audit Committee workplan 2020/21 be expanded to incorporate the November 2020 meeting agreed earlier with reports on (1) the External Audit Report and Annual Accounts 2019/20, (2) the review of reserves and (3) an update on the Audit Scotland COVID-19 Guide for Audit and Risk Committees.

### 16 Internal Audit Progress Report – 24 February to 28 August 2020 16

There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership on the progress made by Internal Audit during the period from 24 February to 20 August 2020.

The Chief Internal Auditor presented the report, being the regular progress report, and advised as follows:

(1) Two Audit reviews had been finalised since the last IJB Audit Committee in March:

#### Budgetary Control

This Audit was carried out as part of the 2019/20 plan and the overall control environment opinion was satisfactory. Two amber issues were identified including:

(a) Managing a single person dependency. This related to the Chief Financial Officer and the remit of the role which includes the preparation of budget monitoring reports and the Board's annual accounts;

(b) An issue in relation to how the IJB uses its budget to deliver its strategic plan.

The audit identified three issues, two of which were considered to be individually significant and an action plan was in place to address all issues by 30 September 2020. In relation to the single person dependency, this issue had now been addressed through contingency arrangements being provided by Inverclyde Council's Finance Management Team.

#### IJB Directions – Advisory Review

As part of the 2018/19 Internal Audit Plan, a review of the IJB's arrangements for managing directions was undertaken. The resulting action plan could not be fully implemented as the final statutory guidance had not been published.

In January 2020, however, the Scottish Government issued new statutory guidance regarding directions and as part of the Annual Audit Plan for 2020/21, Internal Audit carried out an advisory review to provide advice to IJB Officers in reviewing and updating the current policy in line with the new guidance.

There were no material issues identified and IJB Officers incorporated recommendations where appropriate into the draft IJB Directions Policy to be considered by the IJB later in the day.

(c) In relation to Internal Audit follow-up, three actions were due for completion by 31 August 2020, two of which were complete, with the completion date in relation to the third action (approval of IJB Directions Policy) being revised. There were five current actions being progressed by Officers.

(d) With regard to updates from partner organisations, no meetings of the Inverclyde Council Audit Committee had taken place since March. In relation to NHS Greater Glasgow and Clyde, a number of audit reports had been issued and approved by the Board since the last update in March.

During the course of discussion on this item, the Chair suggested that the IJB Integration Scheme Update – Readiness Review, for which an interim report was due by 31 March 2021, should be recorded in either the workplan or the rolling action list. The Chief Officer confirmed that she would discuss this suggestion with the Chief Internal Auditor and revert back to the Chair.

**Decided:** that the progress made by Internal Audit in the period from 24 February to 28 August 2020 be noted.

## 17 Internal Audit Annual Report and Assurance Statement 2019/20

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There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership appending the Internal Audit Annual Report and Assurance Statement for 2019/2020 which forms part of the IJB's Annual Governance Statement.

The Chief Internal Auditor advised the Committee that the conclusion of the report was that the majority of the IJB's established internal control procedures operated as intended to meet management's control requirements for each area reviewed by Internal Audit and that the overall audit opinion was satisfactory.

However, the report also highlighted the fact that the COVID-19 incident in late March had tested how well the IJB's governance, risk management and internal controls framework was operating, and continued to operate, and that it would be important for the IJB at the appropriate time to carry out a post-incident review and highlight any lessons learned.

The Chief Internal Auditor referred also to the COVID-19 guidance for Audit and Risk Committees issued by Audit Scotland and she suggested that as part of the Annual Audit Plan for 2020/21, Internal Audit could carry out an exercise to co-ordinate an update on the IJB's position for a future meeting of the Committee if required.

The Chair asked for clarification as to the appropriate time to carry out such a post-incident review and the Chief Officer indicated that she was comfortable to review this at any time as an opportunity existed to reflect, particularly given the Audit Scotland report referred to above. The most pressing issue, however, was the Local Mobilisation Plan.

In this regard, the Chief Internal Auditor indicated that she would be happy to work with the Chief Financial Officer on using the guide as a tool to provide assurance to Members and that this could be included in the report to the November meeting of the Committee.

**Decided:** that the Internal Audit Annual Report and Assurance Statement be approved.