

ABERDEENSHIRE INTEGRATION JOINT BOARD**AUDIT COMMITTEE****VIRTUAL MEETING, 20 JUNE, 2022****Audit Committee Members:**

Ms A Anderson (Vice Chair), Mr D Hekelaar, Councillor G Lang, Ms R Little, and Councillor G Reynolds

Apologies: Ms Inez Kirk, UNISON

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

Officers: Mr C Smith, Chief Finance Officer, Mr J Dale, Chief Internal Auditor, Mr J Shaw, Partnership Manager (North), and Mr N David, Senior Committee Officer.

1. APPOINTMENT OF CHAIR

The Committee Officer advised that since the last meeting of the Audit Committee on 30 March, 2022, the Local Government Election had taken place and that necessitated Aberdeenshire Council appointing two members to the Audit Committee. Councillor Lang and Reynolds had been appointed. The position of Chair currently rested with Aberdeenshire Council. The Vice Chair, Ms Anderson, therefore called for nominations for the position of Chair.

The Audit Committee unanimously **agreed** that Councillor Reynolds be appointed as Chair.

Councillor Reynolds took the chair for the remainder of the meeting.

2. DECLARATION OF INTERESTS

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

3. 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.

4. MINUTE OF MEETING OF AUDIT COMMITTEE ON 30 MARCH 2022

The Minute of Meeting of the Committee of 30 March, 2022 had been circulated and was **approved** as a correct record.

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, 2019 and 24 June, 2020.

The Chief Finance Officer provided information in respect of outstanding actions on: the Medium Term Financial Strategy for which an update would be provided to 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 and an update provided thereafter to the Integration Joint Board in August 2022.

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

6. BUSINESS PLANNER REVIEW

There had been circulated a report dated 13 June, 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 appendix included the following report titles: Review of Action Log Follow Up on Previous Actions; Business Planner Review of Business Planner; Internal Audit Consideration of Completed Internal Audit Reports and Overdue Recommendations; Audited Annual Accounts for the Year to 31 March, 2022; Review and Sign Off of the Annual Accounts for 2021/22; Consideration of External Audit Annual Governance Statement 2021/22; Review and Agreement of Annual Governance Statement; Proposed Dates for Future Meetings; Review of Strategic Planning Arrangements; Update from Other Audit Committees; and Review of Relevant Audit Scotland Reports.

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

7. INTERNAL AUDIT ANNUAL REPORT

There had been circulated a report dated 9 June, 2022 by the Chief Internal Auditor, providing the Committee with Internal Audit's Annual Report for 2021/22.

This report covered the period from 1 April, 2021 to 31 March, 2022 and any work finalised during the 2021/22 assurance period. It also took account of work undertaken up to the date of the issue of the report. The report was grounded in the whole activity and work of Internal Audit, whether in terms of formal audit evidence and work, management assurance and consultancy activity, or evidence gathered through wider engagement across the Integration Joint Board and Council overall.

The report highlighted that it was one of the functions of the Integration Joint Board Audit Committee to review the activities of the Internal Audit function, including its annual work programme.

The Internal Annual Audit Report was included as an appendix to the report.

The Chief Internal Auditor explained that the Annual Report was designed to meet three objectives: 1. to present to the IJB Audit Committee and, through them, the Council, with a formal opinion on the adequacy and effectiveness of the Board's arrangements for: Governance, Risk Management, and Internal Control; 2. a narrative over the key strategic and thematic findings from the assurance work undertaken by Internal Audit during 2021/22, drawing out key lessons to be learned; and 3. an account of the assurance activities and resources of Internal Audit during the period 2021/22.

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

- (1) the Internal Audit Annual Report 2021/22;
- (2) that the Chief Internal Auditor had confirmed the organisational independence of Internal Audit;
- (3) that there has been no limitation to the scope of Internal Audit work during 2021/22; and
- (4) the progress that management had made with implementing recommendations agreed in Internal Audit reports.

8. EXTERNAL AUDIT – PROGRESS REPORT ON THE 2021/22 AUDIT

With reference to the Minute of Meeting of the Audit Committee of 30 March, 2022 (Item 9), there had been submitted, for noting, a progress report for 2021/22 by Audit Scotland providing an update on progress against the 2021/22 audit of Aberdeenshire Integration Joint Board (IJB).

The External Auditor presented the report and explained that, in accordance with ISA 330: the Auditor's response to assessed risk, their audit judgements were based on current year testing of controls and where appropriate prior year results. In line with

the Annual Audit Plan, they had placed reliance on audit work in partner bodies and where appropriate, had placed reliance on the work of Internal Audit. In planning for the controls work, several meetings were held with partner finance teams to identify and confirm any changes in internal controls. No significant issues were identified from this work.

Following discussion, the Committee **agreed** to note the update on progress against the External Auditor's 2021/22 Audit Plan.

9. UNAUDITED ANNUAL ACCOUNTS FOR 2021/22

There had been circulated a report dated 14 June, 2022, by the Chief Finance Officer on the Unaudited Annual Accounts for the year to 31 March, 2022.

The report reminded members that Aberdeenshire Integration Joint Board (IJB) had a statutory responsibility to prepare its Annual Accounts by 30 June, following the financial year end on 31 March. The format of the annual accounts followed local authority accounting standards and hence complied with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Preparation of the Accounts must also be in accordance with the Local Authority Accounts (Scotland) Regulations 2014 and these included a requirement that the Integration Joint Board (IJB) or a committee with audit responsibilities must meet to consider the unaudited Annual Accounts as submitted to the Auditor.

The Chief Finance Officer reported that the draft accounts showed a recorded surplus of £ £28.496 million.

Following discussion, the Committee **agreed** to acknowledge the unaudited Accounts for the year to 31 March, 2022.