

ABERDEENSHIRE INTEGRATION JOINT BOARD

IJB AUDIT COMMITTEE

VIRTUAL MEETING - TEAMS, WEDNESDAY, 21ST FEBRUARY, 2024

Audit Committee Members:

Ms J Duncan (Chair), Councillor S Logan (Vice-Chair), Councillor G Lang, Ms I Kirk and Mr D Hekelaar.

Officers:

Ms P Milliken, Chief Officer, Aberdeenshire Health and Social Care Partnership; Mr C Smith, Chief Finance and Business Officer; Mr J Dale, Chief Internal Auditor; and Ms A McLeod, Committee Officer.

Also in attendance:

Ms A Pieri, Grant Thornton (External Auditor).

1 Declaration of Members' Interests

The Chair asked Members if they had any interests to declare, in terms of the Councillors' Code of Conduct. There were no declarations of interest.

2 Public Sector Equality Duty

In taking decisions on the undernoted items of business, the 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 and 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, and
- (2) to consider, where an Integrated Impact Assessment has been provided, its contents and to take those into consideration when reaching a decision.

3 Minute of the Meeting of 24 January, 2024

On consideration of the circulated Minute of Meeting of the Committee of 24 January, 2024, Members **agreed** to approve it as a correct record.

4 Action Log

There had been circulated a report by the Chief Finance and Business Officer providing an update on actions which had been agreed at previous meetings of the Committee. The Chief Finance provided information in respect of outstanding actions on:

- Integration Joint Board Risk Assurance Group Update – report to be presented to April 2024 meeting of IJB Audit Committee on completion of review of all Grous assurance within the IJB framework.
- Audit Committee Governance – Terms of Reference and Development of Assurance Framework – report to be presented to April 2024 meeting of IJB Audit Committee in line with other Groups within the IJB framework.

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

5 Business Planner

There had been circulated a report dated 9 February, 2024 by the Chief Finance and Business Officer, which provided a forward view of the workplan of the Committee.

The Chief Finance and Business Officer introduced the report and highlighted areas of work which were scheduled throughout the year and any relevant updates.

The Committee **agreed** to note the draft business planner for the Committee.

6 Internal Audit Update Report

There had been circulated a report dated 8 February, 2024 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 purpose of the report was to provide the Committee with an update on Internal Audit's work since the last update. 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 full update report was included as an appendix to the report.

Having heard from the Chief Internal Auditor, the Committee **agreed** to:-

- (1) note the progress on the Internal Audit Plan; and
- (2) agree the progress that management has made with implementing recommendations agreed in Internal Audit reports.

7 Internal Audit Plan 2024 - 2027

There had been circulated a report dated 8 February 2024 by the Chief Internal Auditor which presented the draft Internal Audit Plan for 2024-2027 for discussion and approval. The report explained that it was one of the duties of the IJB Audit Committee to review the activities of the Internal Audit function, including its work programme.

The Chief Internal Auditor presented the Internal Audit Plan for the period 2024-2027 and advised that the plan would be reassessed each year to ensure a three year rolling programme of work was in place. He considered that the Plan addressed the core functions of assurance and would also add value to the Board.

During discussion, the Chief Internal Auditor responded to Members' question and confirmed that there was flexibility built into the Plan to deal with further issues that may arise and a contingency element was available to ensure there was capacity to support and allow for further items to be brought forward. In addition, the range of work across the Plan and the knowledge that the IJB was working closely with neighbouring IJBs allowed for sharing of knowledge and learning.

Thereafter, the Committee **agreed** to approve the 2024-2027 Internal Audit Plan.

8 Risk Assurance Group and Risk Register Update

There had been circulated a report by the Service and Development Manager, which provided an update on the status of risks on the IJB and strategic risk register and provided information on the work of the Risk and Assurance Group.

The Chief Finance and Business Officer introduced the report and highlighted key points, including an update from the Risk and Assurance Group and noted that the Strategic Planning Group would have a role in terms of risk assurance going forward and would feed into the Risk and Assurance Group where there were any issues in terms of strategic risks. He also advised that a copy of the Risk Register had been circulated to Members for their information. He highlighted details of a number of reviews which had been considered at the last meeting of the Risk Assurance Group, including one on the risk of return of GP contracts to Health and Social Care Partnerships and one on the issue of resource for the Buchan Health Visiting Team, which was recognised as a long standing risk. He concluded by advising that an internal audit on asset management was ongoing and an update would be provided to the next meeting of the IJB Audit Committee on progress.

During discussion, there was comment on the need to continue to monitor closely the risks identified within the report, in particular the risk of failure to deliver standards of care expected by the people of Aberdeenshire. In addition, there was a need to ensure that communications around expectations would need to reflect that there would not be the same delivery going forward, due to significant budgetary constraints.

Thereafter, the Committee **agreed** to:

- (1) note the update on the status of risks on the IJB and strategic Risk Register;
- (2) note the Risk Register as at January 2024, recognising that it is a live document;

- (3) note that non-clinical/care resource risks, both strategic and operational are reviewed by the Risk and Assurance Group;
- (4) note that clinical and care risks are reviewed by the Clinical and Adult Social Work Governance Group on behalf of the Clinical and Adult Social Work Governance Committee; and
- (5) note the work of the Risk and Assurance Group.

9 Annual Accounts Update 2022- 2023

There had been circulated a report dated 9 February 2024 by the Chief Finance and Business Officer which asked the Committee to agree the management response to the External Audit Annual Report Action Plan relating to the Financial Statements, Wider Scope and Best Value, referred to in Appendix 1 to the report.

The Chief Finance and Business Officer introduced the report and highlighted the five recommendations that had been contained within the External Auditor's Annual Report, two relating to the Financial Statements Audit and three to the Wider Scope and Best Value. These recommendations had been considered by Officers and a detailed action plan had been developed to address the recommendations, with management responses and implementation dates provided. He noted that the information would be incorporated into the IJB annual report for 2022-23.

After discussion, the Audit Committee **agreed** the management response to the External Audit Annual Report Action Plan relating to the Financial Statements, Wider Scope and Best Value per section 2.5 and as referred to in Appendix 1 to the report.

10 Updates from Other Audit Committees

There had been circulated a report dated 9 February 2024 by the Chief Finance and Business Officer which provided information on relevant issues which were being considered by other local Audit Committees to provide an awareness of relevant audit issues which may have implications for Aberdeenshire IJB.

The Chief Finance and Business Officer introduced the report, which provided an update on the recent meetings of the Audit Committees of NHS Grampian and Aberdeen City IJB and gave a summary of issues which had been under consideration by those committees.

There was discussion of the membership make up of the NHS Grampian Audit Committee, which comprised 5 Non Executive members, the NHS Grampian Chair, the CEO, Director of Finance, Chief Internal Auditor and the External Auditor. There was also a recognition of the benefits of having an oversight of the work being undertaken by the other partners in terms of benchmarking and flagging any potential implications for the Aberdeenshire Health and Social Care Partnership. It was noted that in terms of vacancy management there was some integrated work ongoing and information on the outcome of this would be welcomed in due course.

After discussion, the Committee agreed to **note** the relevant items that had been under consideration by other local Audit Committees and to **note** the implications for Aberdeenshire IJB.

11 Updates from Audit Scotland Reports

There had been circulated a report dated 9 February, 2024 by the Chief Finance and Business Officer, which provided an update on recent publications from Audit Scotland, including (1) 'How the Accounts Commission holds Local Government to account', (2) a Local Government in Scotland Financial Bulletin 2022/23, and (3) an IJB finance and performance report 2024 detailing how effectively are IJBs responding to current challenges in the health and social care sector.

The Chief Finance and Business Officer provided a high level summary of the reports and highlighted key issues arising from the reports.

There was discussion of the importance of the role of Internal Audit in terms of helping the IJB to identify areas to consider in order to seek best value and where to achieve recurring savings and to tackle the elimination of waste. In addition, the need to look at the redesigning of existing processes, through transformation, to ensure the most effective use of budgets.

After discussion, the Committee agreed to **note** the details of the publications contained within the report with reference to those matters of relevance to Aberdeenshire IJB.