

Notice of Meeting and Agenda Renfrewshire Health and Social Care Integration Joint Board Audit Committee

Date	Time	Venue
Friday, 14 September 2018	09:00	Abercorn Conference Centre, Renfrew Road, Paisley, PA3 4DR

KENNETH GRAHAM
Clerk

Membership

Councillor Lisa-Marie Hughes: Councillor Scott Kerr: Morag Brown: Dorothy McErlean: Alan McNiven: David Wylie

Councillor Lisa-Marie Hughes (Chair)

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the reception where they will be met and directed to the meeting.

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

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|----------|--|----------------|
| 1 | Minute | 3 - 8 |
| | Minute of Meeting of the Integration Joint Board (IJB) Audit Committee held on 29 June 2018. | |
| 2 | Internal Audit Plan 2018/19 - Progress | 9 - 12 |
| | Report by Chief Internal Auditor. | |
| 3 | Audited Accounts 2017/18 | |
| | Report by Chief Finance Officer (Not available - copy to follow). | |
| 4 | Training for Audit Committee Members | 13 - 24 |
| | Report by Chief Internal Auditor. | |
| 5 | Date of Next Meeting | |
| | Note that the next meeting of the IJB Audit Committee will be held at 9.00 a.m. on 25 January 2019 in the Abercorn Conference Centre, Renfrew Road, Paisley. | |



Minute of Meeting

Renfrewshire Health and Social Care Integration Joint Board Audit Committee

Date	Time	Venue
Friday, 29 June 2018	09:00	Abercorn Conference Centre, Renfrew Road, Paisley, PA3 4DR

Present

Councillor Lisa-Marie Hughes and Councillor Scott Kerr (both Renfrewshire Council); Morag Brown and Dorothy McErlean (both Greater Glasgow & Clyde Health Board); and David Wylie (Health Board staff member involved in service provision).

Chair

Councillor Lisa-Marie Hughes, Chair, presided.

In Attendance

Ken Graham, Head of Corporate Governance (Clerk), Karen Campbell, Assistant Chief Internal Auditor and Elaine Currie, Senior Committee Services Officer (all Renfrewshire Council); David Leese, Chief Officer, Sarah Lavers, Chief Finance Officer, Ian Beattie, Head of Health and Social Care (Paisley) and Jean Still, Head of Administration (all Renfrewshire Health and Social Care Partnership) and Mark Ferris, Senior Audit Manager and Adam Haahr, Senior Auditor (both Audit Scotland).

Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

1 Minute

The Minute of the meeting of the Integration Joint Board (IJB) Audit Committee held on 26 January 2018 was submitted.

DECIDED: That the Minute be approved.

2 Summary of Internal Audit Reports

The Chief Internal Auditor submitted a report providing a summary of internal audit reports.

The report intimated that a risk-based Internal Audit Plan for 2017/18 had been approved at the meeting of the IJB Audit Committee held on 29 January 2018. In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the IJB Audit Committee.

Appendix 1 to the report provided details of those audit engagements completed during the period 1 January to 18 May 2018 with the overall assurance rating and the number of recommendations in each risk category. The committee summary for each report was also appended. Where recommendations had been made, relevant managers had put action plans in place to address the issues raised.

DECIDED: That the report be noted.

3 Summary of Internal Audit Activity in Partner Organisations

The Chief Internal Auditor submitted a report providing a summary of internal audit activity in partner organisations.

The report intimated that the IJB directed both Renfrewshire Council and NHS Greater Glasgow and Clyde (NHSGG&C) to deliver services that enabled the IJB to deliver on its strategic plan. Both Renfrewshire Council and NHSGG&C had internal audit functions and conducted audits across each organisation, the findings of which were reported to the respective audit committees. Members of the IJB had an interest in the outcomes of the audits at both Renfrewshire Council and NHSGG&C that impacted upon the IJB's ability to deliver the strategic plan or support corporate functions.

The report provided a summary of the internal audit activity within these partner organisations.

DECIDED: That the report be noted.

4 Internal Audit Annual Report 2017/18

The Chief Internal Auditor submitted a report relative to the Internal Audit annual report on the IJB 2017/18. The report intimated that the Public Sector Internal Audit Standards required that the Chief Internal Auditor deliver an annual internal audit opinion on the overall adequacy and effectiveness of the internal control environment which could be used by the organisation to inform its governance statement.

The report intimated that the annual report outlined the internal audit work carried out for the year ended 31 March 2018. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report for the IJB was attached as an appendix to the report and included the Chief Internal Auditor's independent and objective opinion as to the adequacy and effectiveness of the internal control environment. In forming the opinion, the Chief Internal Auditor had conducted a review of the internal audit reports issued to the IJB in the year and the internal audit annual reports from partner organisations.

DECIDED: That the Internal Audit annual report for 2017/18 be noted.

5 Internal Audit Reporting Arrangements

The Chief Internal Auditor submitted a report relative to internal audit reporting arrangements.

The report intimated that the Chief Internal Auditor was required to develop and maintain a quality assurance and improvement programme that covered all aspects of internal audit including conformance with the Public Sector Internal Audit Standards. This had provided the Chief Auditor with an opportunity to improve and formalise the internal audit reporting arrangements for the IJB.

The report outlined the details and outcomes of the Chief Internal Auditor's considerations in relation to IJB reporting arrangements for completed audit engagements and follow-up work. The report also highlighted changes to the reporting of internal audit performance to the IJB.

DECIDED:

(a) That the reporting arrangements put in place to communicate the results of internal audit work to the IJB Audit Committee be noted; and

(b) That it be noted that updates on progress with the IJB audit plan would be provided to each meeting of the IJB Audit Committee and that overall performance on the internal audit function would be reported and monitored quarterly by Renfrewshire Council's Audit, Risk and Scrutiny Board.

6 IJB and HSCP Risk Registers

The Chief Officer submitted a report providing an update on the status of the risk registers currently maintained by Renfrewshire Health and Social Care Partnership (HSCP).

The report intimated that the changes and updates detailed in the report were reviewed by the senior management team on 8 June 2018 and that in terms of accountability it had been agreed that two separate risk registers be maintained, one specifically for the strategic responsibilities of the IJB and the other for the operation responsibilities of the HSCP. Copies of both risk registers were appended to the report.

It was proposed (i) that the report be noted; (ii) that the IJB risk register be approved; (iii) that the HSCP risk register be noted; (iv) that the information detailed under the current risk control measures section for HSCPRR.17.01.01 (Information Governance) specify whether it related to the NHS, the HSCP or both; and (v) that the first sentence under the risk statement section in HSCPRR.17.02.11 (Developing self-evaluation arrangements) be deleted. This was agreed.

DECIDED:

- (a) That the report be noted;
- (b) That the IJB risk register be approved;
- (c) That the HSCP risk register be noted;
- (d) That the information detailed under the current risk control measures section for HSCPRR.17.01.01 (Information Governance) specify whether it related to the NHS, the HSCP or both; and
- (e) That the first sentence under the risk statement section in HSCPRR.17.02.11 (Developing self-evaluation arrangements) be deleted.

7 General Data Protection Regulations (GDPR) and New Data Protection Act

The Head of Administration submitted a report providing an overview of the changes and implications arising from new data protection laws and the implementation of the Public Records (Scotland) Act 2011.

The report intimated that on 25 May 2018 the existing Data Protection Act 1998 had been replaced by new legislation in the form of the General Data Protection Regulation (GDPR) and a new Data Protection Act.

The requirements and key actions for the IJB were appended to the report.

DECIDED:

- (a) That the actions outlined in the report be noted;
- (b) That the requirement to comply with the guidance be noted; and
- (c) That the proposed arrangements for the IJB be approved to ensure compliance.

8 Training for Audit Committee Members

Under reference to item 6 of the Minute of the meeting of the IJB Audit Committee held on 26 January 2018 the Chief Internal Auditor submitted a report relative to a proposed programme of training briefings which would be delivered at meetings of the IJB Audit Committee.

The report intimated that a proposed programme of training briefings had been approved at the meeting of the IJB Audit Committee held on 26 January 2018. To facilitate an early introduction of the work of Audit Scotland the dates for the programme of the training briefings required to be amended and the revised programme of training

briefings formed Appendix 1 to the report.

Appendix 2 to the report provided an outline of the briefing to be delivered by the External Auditors providing an overview of the work of Audit Scotland. Mark Ferris and Adam Haar, both Audit Scotland, delivered their presentation to members. Reference was made to the second performance audit on health and social care integration currently being undertaken by Audit Scotland on behalf of the Accounts Commission and the Auditor General for Scotland. It was noted that this report was due to be published in November 2018 and Mark Ferris advised that, following publication, the report author would be available to attend a future meeting of the IJB Audit Committee to discuss the audit findings.

DECIDED:

- (a) That the amended programme of training briefings, as detailed in Appendix 1 to the report, be approved;
- (b) That the content of the overview of the Audit Scotland briefing, as detailed in Appendix 2 to the report, and the presentation delivered be noted; and
- (c) That it be noted that, following publication of the second performance audit of IJBs by Audit Scotland, the report author would be available to attend a future meeting of the IJB Audit Committee to discuss the audit findings.

9 Proposed Dates of Meetings of the Audit Committee 2018/19

The Clerk submitted a report relative to proposed dates of meetings of the IJB Audit Committee in 2018/19.

DECIDED:

- (a) That meetings of the IJB Audit Committee be held at 9.00 am on 14 September 2018, 25 January and 28 June 2019; and
- (b) That meetings of the IJB Audit Committee be held in the Abercorn Conference Centre, Renfrew Road, Paisley unless that venue was unavailable or unsuitable, in which case it be delegated to the Clerk and Chief Officer, in consultation with the Chair, to determine an alternative venue.

To: Renfrewshire Health and Social Care Integration Joint Board Audit Committee

On: 14 September 2018

Report by: Chief Internal Auditor

Heading: Internal Audit Plan 2018/19 - Progress

1. Summary

- 1.1 In line with the requirements of the Public Sector Internal Audit Standards, a risk based internal audit plan for 2018/19 has been developed and is detailed at Appendix 1 of this report.
 - 1.2 The plan sets out a resource requirement of 35 days, including assurance work, time for follow up of previous recommendations, ad-hoc advice and planning and reporting.
 - 1.3 This report provides an update on the progress of the internal audit plan for 2018/2019.
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2. Recommendations

- 2.1 That the Board notes the progress against the Internal Audit Plan for 2018/19.
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3. Background

- 3.1 The two assurance engagements to review the governance arrangements for the IJB and the agreed annual review of the adequacy and compliance with the Local Code of Corporate Governance have yet to commence. It is planned that the review of governance arrangements will commence in Quarter 3 (October – December) and the review of the adequacy and compliance with the Local Code of Corporate Governance is planned to commence in Quarter 4 (January – March).
- 3.2 Time for planning and reporting has been used for annual reporting on the 2017/2018 annual audit plan, reviewing the IJB internal audit reporting arrangements and reporting on specific audit engagements. Training briefings have also been presented to members of the audit committee on audit and risk related topics.

- 3.3 The annual follow up exercise has commenced, all critical recommendations followed up must be supported by evidence to demonstrate that they have been implemented. The Chief Internal Auditor will report details of outstanding critical recommendations to the Audit Committee on conclusion of the annual follow up exercise.

Implications of the Report

1. **Financial** - none.
2. **HR & Organisational Development** - none.
3. **Community Planning** - none.
4. **Legal** - none.
5. **Property/Assets** - none.
6. **Information Technology** - none.
7. **Equality & Human Rights** – none
8. **Health & Safety** - none.
9. **Procurement** - none.
10. **Risk** - The subject matter of this report is the risk based Audit Plan for 2018 – 2019.
11. **Privacy Impact** - none.

List of Background Papers – none.

Author: Andrea McMahon, Chief Internal Auditor

Annual Audit Plan – 2018/19 Renfrewshire Integrated Joint Board

Audit Category	Engagement Title	No. of days	Detailed work
Assurance	Governance	23	<ul style="list-style-type: none"> • Governance Arrangements • Review of adequacy and compliance with the Local Code of Corporate Governance
Planning & Reporting	Annual Plan, Annual Report and Audit Committee reporting & Training	6	The Chief Internal Auditor is required to prepare an annual plan and annual report for the Audit Committee, summarising the work undertaken by Internal Audit during the year and using this to form an opinion on the adequacy of the control environment of the IJB.
Contingency	Ad-hoc advice and Consultancy	6	Any relevant issues raised by NHSGGC and Renfrewshire Council in relation to the operational delivery of services.

To: Renfrewshire Health and Social Care Integration Joint Board Audit Committee

On: 14 September 2018

Report by: Chief Internal Auditor

Heading: Training for Audit Committee Members

1. Summary

- 1.1 In line with national guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the implementation of Audit Committee Principles in Scottish Local Authorities, it is good practice to provide training on audit and risk related matters to members of the Audit Committee.
 - 1.2 An amended programme of training briefings was approved at the Audit Committee on 29 June 2018. Appendix 1 provides details of the revised dates.
 - 1.3 Appendix 2 provides an outline of the briefing to be delivered on “Risk Management”.
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2. Recommendations

- 2.1 That the IJB Audit Committee not the content of the Risk Management briefing.
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Implications of the Report

- 1. **Financial** - none.
- 2. **HR & Organisational Development** - none.
- 3. **Community Planning** - none.
- 4. **Legal** - none.
- 5. **Property/Assets** - none.
- 6. **Information Technology** - none.

7. **Equality & Human Rights** - none
 8. **Health & Safety** - none.
 9. **Procurement** - none.
 10. **Risk** – Training for members on audit and risk related matters is good practice.
 11. **Privacy Impact** - none.
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List of Background Papers – none.

Author: Andrea McMahon, Chief Internal Auditor

Date	Topic
29 June 2018	Overview of Audit Scotland
14 Sept 2018	Risk Management
25 Jan 2019	The Role of Internal Audit

Risk Management

IJB Audit Committee

Friday 14th September 2018



Karen Locke, Risk Manager, 0141 618 7019

Resourcing risk management

6. Resourcing the risk management framework

6.1 Much of the work on developing and leading the ongoing implementation of the risk management framework for the Joint Board will be resourced through the Senior Leadership Group's arrangements (referred to in 5.4).

6.2 Wherever possible the IJB will ensure that any related risk management training and education costs will be kept to a minimum, with the majority of risk-related courses/ training being delivered through resources already available to the IJB (the partner body risk managers/ risk management specialists).

7. Resourcing those responsible for managing specific risks

7.1 Where risks impact on a specific partner body and new risk control measures require to be developed and funded, it is expected that the costs will be borne by that partner organisation.

7.2 Financial decisions in respect of the IJB's risk management arrangements will rest with the Chief Financial Officer.

Structure for the session

- ✓ Why good risk management is important
- ✓ Key principles
- ✓ What you can expect from a good risk management framework
- ✓ HSCP current focus re risk management

Why good risk management is important

- ✓ Acknowledges that some risk is good
- ✓ Creates an environment where we can openly discuss aspirations and challenges
- ✓ Allows a considered, proportionate response
- ✓ Enables better outcomes
- ✓ Shifts the balance from incident management to prevention
- ✓ Reduces the likelihood of unwelcome surprises
- ✓ Reduces complaints and claims
- ✓ Protects valuable resources
- ✓ Learns from the past in order to protect in the future

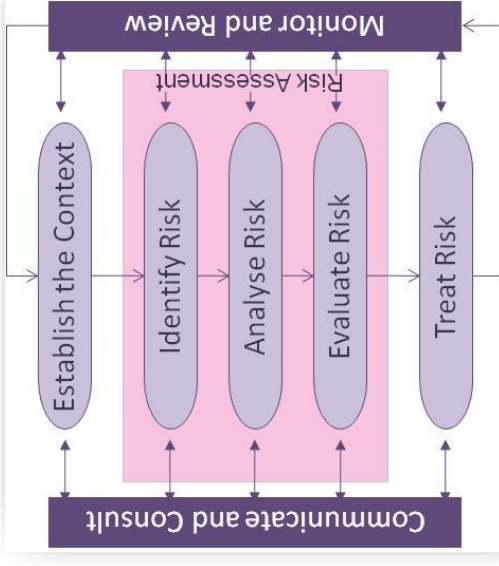


Key principles

- ✓ We need a recognised method to help us understand risk and its significance
- ✓ We need to respond to risk in a way that is proportionate

(unless directed by legislation)

- ✓ We need to engage with the people who need to know about the risk and how it is to be managed
- ✓ We need to monitor the risk and how it's being managed
- ✓ We need to be careful that in managing one risk, we don't inadvertently create others



Likelihood	Consequent Impact				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme
5 Almost Certain	5	10	15	20	25
4 Likely	4	8	12	16	20
3 Possible	3	6	9	12	15
2 Unlikely	2	4	6	8	10
1 Remote	1	2	3	4	5
Low (1-3),		Moderate (4-9),		High (10-16), or	
				Very High (17-25)	



A good risk management framework

- ✓ Policy, strategy and procedures
- ✓ Agreed risk management process
- ✓ Agreed risk appetite
- ✓ Agreed risk management reporting arrangements
- ✓ A means to store, share and monitor risk information
and to really add value....
- ✓ Risk aware culture/ risk aware decisions
- ✓ Risk management applied in all areas of the 'business'
- ✓ Balance increasingly towards prevention
- ✓ Willingness to learn lessons
- ✓ Access to, and good uptake of risk management training and development opportunities



HSCP current focus re risk management

The Head of Administration's office confirms:

- ✓ Review of risk policy and strategy
- ✓ Review of risk focused group/s
- ✓ Training needs analysis for risk management
- ✓ Proposal for IJB Audit Committee risk workshop



Risk Management

*"Balancing risk in the
context of benefit and
opportunity"*



Thank You