



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 27 JUNE 2019

SUBJECT: AUDIT, PERFORMANCE AND RISK COMMITTEE

BY: CHIEF OFFICER

1. REASON FOR REPORT

1.1. To inform the Moray Integration Joint Board (MIJB) of a summary of matters considered and actioned during 2018/19 at the Audit, Performance and Risk Committee.

2. RECOMMENDATION

2.1. It is recommended that the MIJB consider and note:

- i) the content of this report; and**
- ii) the External Audit Plan attached at APPENDIX 1**
- iii) the Strategic Risk Register will be reviewed as part of the preparation of the new Strategic Plan and presented to this committee in October 2019.**

3. BACKGROUND

3.1. The MIJB agreed at its meeting on the 28 June 2018 (para 5 of the Minute refers) updated Standing Orders and Scheme of Administration for the MIJB and its Committees. The Audit and Risk Committee was renamed the Audit, Performance and Risk (AP&R) Committee and its remit was expanded to cover performance issues and allow for an appropriate level of scrutiny for reviewing service performance. At this meeting it was also agreed to appoint Councillors Eagle and Laing to the AP&R Committee.

3.2. At its meeting on 31 January 2019 the MIJB appointed Mr Riddell as a member of the AP&R Committee. Mrs Webb was appointed to Chair of the AP&R Committee (para 7 of the Minute refers).

3.3. An effective AP&R Committee is key to a strong governance culture and to assist in ensuring a robust framework is in place to provide assurance on risk management, performance, governance and internal control, provide effective scrutiny of the MIJB's functions and to consider the changes necessary to improve on these arrangements.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1. Throughout the 2018/19 financial year, the AP&R Committee has held four formal meetings. The Chief Internal Auditor has reported to each of these meetings providing an update on audit work concluded.

4.1.1 This work included a review of learning disabilities commissioning, and audits of payroll including an assessment of payroll access controls and regularity testing of selected employee data. A review of the application of the contributions policy, which requires service users to make a payment towards the cost of their care, was completed, and the audit team continued its participation in the self-directed support working group. The audit work informed the audit opinion provided in the annual governance statement to be published with the annual financial statements.

4.1.2 The audit findings in relation to the audit of learning disabilities noted that work was underway to 'modernise service provision in a manner which recognises changed expectations, for example, arising from personalisation, while managing cost pressures and seeking to secure optimal care solutions for users of learning disabilities services'. Progress on this modernisation programme will be monitored during 2019/20.

4.1.3 Internal audit also participated in an external quality assessment (EQA) process used to assess compliance with the Public Sector Internal Audit Standards, which are mandatory for local government bodies (including IJBs). The EQA, conducted by an audit team from Fife Council, concluded that the Internal Audit Service 'generally conforms' to the Standards. Further information on the EQA outcomes and areas for improvement to be progressed will be made available to the MIJB AP&R Committee.

4.2. The MIJB receive AP&R Committee minutes routinely throughout the year for information. Key points during the financial year 2018/19 are noted below:

- Approved the updated Risk Policy.
- Approved the 2017/18 draft Annual Performance Report for publication by the 31 July 2018.
- Considered and noted the expanded remit of the Committee regarding performance.
- Considered and noted the performance information from the MIJB for Quarter 4 2017/18 and Quarters 1, 2 and 3 of 2018/19.
- Considered and noted the Internal Audit Annual report 2017/18.
- Noted the findings of the NHS Grampian Internal Audit Report and tasked the Chief Financial Officer with developing an assurance process for the Committee on monitoring and exception reporting actions arising from audits.
- Noted a report by the Chief Internal Auditor on the proposed internal audit coverage for completion in the current 2018/19 financial year.

- Agreed a ‘follow up’ protocol covering oversight and monitoring of the implementation of audit recommendations.
- Discussed and commented on the Audit Scotland – Update Report on Health and Social Care Integration published in November 2018.
- Considered and noted the arrangements in place in Grampian for the management of the Payment Verification process.

4.3. The Strategic Risk Register is a standing item of the AP&R Committee and is reviewed and updated throughout the year. The most recent version of the Strategic Risk Register was presented and noted at the meeting of the AP&R on 28 March 2019 (para 6 of the draft Minute refers). The strategic risk register and associated risk appetite will be aligned to and included in discussions for the the new strategic plan, with the revised register being submitted to this committee by October 2019.

4.4. On 28 March 2019 a report by the Chief Financial Officer informed the Committee of the External Auditor’s Annual Plan for 2018/19 (paragraph 7 of the minute refers). The plan sets out the scope of the audit work and details the initial risks identified by Audit Scotland and planned work to be undertaken for the audit of the financial statements for year ending 2018/19. The audit plan is attached at **APPENDIX 1** to this report.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

This report forms part of the governance arrangements of MIJB; good governance arrangements will support the Board to fulfil its objectives.

(b) Policy and Legal

Scottish Governance guidance relating to the Public Bodies (Joint Working) (Scotland) Act 2014 suggests that adequate and proportionate arrangements should be made as an audit provision. The AP&R Committee was established as a Committee of the MIJB to fulfil this obligation.

(c) Financial implications

There are no financial implications associated with this report.

(d) Risk Implications and Mitigation

The strategic risk register is routinely monitored by the senior management team and any changes or issues will be reported to AP&R Committee for consideration.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required as there is no change to policy and procedures resulting from this report.

(h) Consultations

Consultation on this report has taken place with the Chief Officer, the Chief Financial Officer; Chief Internal Auditor and Caroline Howie, Committee Services Officer, Moray Council; who are in agreement with the content of this report as regards their respective responsibilities.

6. CONCLUSION

6.1. This report provides a summary of the business addressed by the AP&R Committee throughout the 2018/19 financial year.

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Background Papers: with author
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