

MINUTES – PUBLIC

Meeting	Special Integration Joint Board Audit Committee
Date, Time and Place	Friday, 21 September 2018 at 10.00am Bressay Room, NHS Shetland HQ, Burgh Road, Lerwick
Present [Members]	<p><u>Voting Members</u> Emma Macdonald Marjorie Williamson [Substitute]</p> <p><u>Non-Voting Members</u> Simon Bokor-Ingram, IJB Chief Officer Karl Williamson, IJB Chief Financial Officer Lisa Ward - NHS Non Executive Member Substitute</p>
In attendance [Observers/Advisers]	<p>Ralph Roberts, Chief Executive, NHS Gary Robinson, Chairman of NHS Board Christine Ferguson, Director of Corporate Services, SIC Jan Riise, Executive Manager – Governance and Law, SIC Crawford McIntyre, Chief Internal Auditor for IJB Sheila Duncan, Management Accountant, SIC Christine McCourt, Financial Accountant, SIC Leisel Malcolmson, Committee Officer, SIC <i>[note taker]</i></p>
Apologies	<p>Natasha Cornick Shona Manson Robbie McGregor</p>
Also in attendance	<p>James Corrigan, Deloitte LLP Connor Healy, Deloitte LLP</p>
Chairperson	Emma Macdonald, Chair of the IJB Audit Committee, presided.

Declarations of Interest	None
---------------------------------	------

10/18	Annual Audit Report 2017/18
CC-38-18-F	<p>The IJB Audit Committee considered a report by the Chief Financial Officer - NHS, which presented Deloitte's Annual Audit Report on the 2017/18 Audit.</p> <p>Mr Corrigan and Mr Healy, of Deloitte LLP, introduced the Annual Audit Report and referred to the key messages and issues set out in the report</p> <p>Mr Healy commented on the two significant risks identified and how those would be addressed and taken on board for next year. He advised that an unmodified opinion had been given on the accounts. Mr Healy also drew attention to the insights and recommendations made to the wider audit dimensions and advised that the statement of audit accounts was ready to be</p>

signed, following approval at the IJB.

The IJB Audit Committee were advised that the IJB should not be reliant on the NHS to plug the funding gap and it should consider the radical options noted by North Ayrshire. It was suggested that the IJB has to consider how its services are to be delivered and there has to be buy-in from the IJB and management with decision on savings so that service delivery is protected. The IJB Audit Committee were advised that Deloitte would continue to monitor the IJB's financial position over the next year. Comment was made that the IJB Board Members require more training on the responsibility of management and Board members to gain a clear understanding of the IJB's remit. Comment was also made on the turnover in membership and the attendance of committee.

During consideration of the report, comment was made that reference, on page 5 of the Annual Audit Report, to "buy-in from staff, board members and the public" would mean a shift in where money is spent and that cannot be done without a financial package and engagement and it would appear that the IJB need to invest financially in that. It was noted that on Page 7 the wording should be amended as the Internal Audit Plan is only presented to the IJB Audit Committee. It was suggested by the Auditors that there would be more Governance if the Audit Plan were presented to both the Audit Committee and the Board.

In terms of the recommendations, within the Audit Report the Chief Financial Officer explained that these were due to the timing of practice notes and he would look to improve this again next year. The Auditors advised that they would be available throughout the year and early engagement was welcome to ensure that the accounts progress in line with best practice. The Auditors noted that due to the timing they had carried out their audit earlier and the Chief Financial Officer had taken their points on board, but they were required to make the Audit Committee aware of the matters highlighted.

In response to a question on the noting of the budget rather than the approval of the budget, the Auditors advised that it was unusual not to have an approved budget. The other option available to the IJB was to sit with a negative reserve balance but that was not ideal and not advisable. It was suggested that by approving an integrated budget the IJB would be taking ownership of its financial position.

The Executive Manager – Governance and Law advised that this was considered at a seminar of IJB Members recently and how it should in the context of budget setting, service planning and commissioning. He said that the guidance does not reflect what legislation says on the matter and there was therefore various practices being adopted across IJB's. He advised that it was entirely likely the auditor recommendations would be

	<p>actioned but was for decision by the IJB.</p> <p>Consideration was then given to the structure and remit of the board and noting the Chair of the IJB's concern regarding her attendance as substitute member on the Audit Committee the Executive Manager – Governance and Law advised that attendance today was to address a quorum issue. He explained that the IJB had asked for a review of the IJB code of corporate governance which was being undertaken and would look at the terms of reference and pick up on the Chair of the IJB's point. In addition the Executive Manager – Governance and Law confirmed that the issue of training of IJB Audit Committee Members could also be addressed through that process.</p>
Decision	The IJB Audit Committee NOTED Deloitte's Annual Audit Report on the 2017/18 Audit.

11/18	Final Audited Accounts 2017/18
CC-37-18-F	<p>The IJB Audit Committee considered a report by the Chief Financial Officer - NHS that presented the Audited Annual Accounts for 2017/18.</p> <p>The Chief Financial Officer introduced the report.</p> <p>Mr Healy, of Deloitte LLP, advised that there were no audit adjustments and the accounts complied with changes in accounting policy raised by Audit Scotland who reviews all IJB accounts.</p> <p>Reference was made to the overspend in the annual accounts that related to locums covering for various vacancies. It was stressed that the additional costs incurred due to flights and accommodation should be highlighted and minimised as much as possible.</p>
Decision	The IJB Audit Committee CONSIDERED the audited Annual Accounts for 2017/18 and NOTED the Management Representation Letter.
12/18	Date of Next and Future meetings
	The IJB were informed of a change in the November 2018 date, and advised to amend their diaries accordingly.

The meeting concluded at 10.35am.

.....
CHAIR

