

MINUTES – PUBLIC

Meeting	Integration Joint Board Audit Committee
Date, Time and Place	Thursday 26 September 2019 at 2pm Bressay Room, NHS Shetland HQ, Burgh Road, Lerwick
Present [Members]	<u>Voting Members</u> Jane Haswell Emma Macdonald Robbie McGregor <u>Non-Voting Members</u> Josephine Robinson, Interim IJB Chief Officer Karl Williamson, IJB Chief Financial Officer
In attendance [Observers/Advisers]	Sheila Duncan, Management Accountant, SIC Caroline Laing, Trainee Solicitor, SIC Carol Anderson, Senior Communications Officer, SIC Leisel Malcolmson, Committee Officer, SIC <i>[note taker]</i>
Apologies	None
Also in attendance	Allison Duncan, IJB Vice-Chair Karlyn Watt, Deloitte LLP
Chairperson	Emma Macdonald, Chair of the IJB Audit Committee, presided.

Declarations of Interest	None
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08/19	Annual Audit Report 2018/19
CC-38-19-F	<p>The IJB Audit Committee considered a report by the Chief Financial Officer that presented the Annual Audit Report 2018/19.</p> <p>The Chief Financial Officer introduced Karlyn Watt from Deloitte LLP, and advised that she would introduce her report at Appendix 1.</p> <p>In introducing the Annual Audit report Ms Watt covered two main areas, namely, Financial Statements and the four Audit dimensions. She advised that there were no misstatements and that the figures were the same as presented in June 2019. She advised that no issues had been identified, and that the Action Plan presented in June 2019 would be followed up in the 2019/20 Audit Report.</p> <p>Reference was made to the financial sustainability and management of the IJB, and in terms of the need to identify changes to service delivery the Chief Financial Officer was</p>

asked how realistic the figures in the report were. The Chief Financial Officer said that the IJB are aware of the challenges ahead in meeting the £7.5m savings target over 5 years. He said that Officers were working towards that target but the reality is that redesign was necessary in order to live within the financial envelope. Following comment regarding the ageing demographic, the Interim Chief Officer said that work was being done to identify savings but further time was needed before reporting to the IJB. She said that during the budget setting process it was essential to be clear what savings can be achieved.

The Chief Financial Officer said that ultimately the IJB must be happy to approve its budget and should reach that position through negotiation with the funding partners. Budgets that are more realistic may however increase the savings target.

A suggestion was made that during the budget setting process the true cost of agency staff should be provided. She said that a lot was being done to grow our own staff through the modern apprenticeships scheme and that would help in the long term. In the short term however it was important to evidence the true costs, including locums. The Chief Financial Officer said that to add in the cost of locums would increase the service budgets and the savings target but may provide a more transparent opening budget position.

Ms Watt advised that the changes required would not happen overnight but having a Medium Term Financial Plan would help to show what has to be done moving forward.

The IJB Audit Committee went on to discuss the shortage of health professionals across the UK and it was noted that the ability to recruit staff from Europe was more difficult and the need for locums would unfortunately get worse.

The Chair directed a question to Ms Watt, Deloitte, and asked why reference had remained, at page 17 of the Audit report, in regard to the need for a Finance Committee. Reference was made to the discussion in June 2019 when it had been acknowledged that the IJB was too small and it was not viable to establish a further sub-committee. Ms Watt explained that reference to a Finance Committee had been included within the Action Plan in June 2019 to be considered by the IJB to cover the Finance element and whether that is added to the IJB Audit Committee function was a matter for discussion. The Chair said that it was likely that the financial element would continue to be discussed at the IJB and there was little point in duplicating that process. Ms Watt added that the matter should be considered as part of the governance review, and they decision may be taken to retain the current position.

Reference was made to the Value for Money section on page 18 of Appendix 1 and it was noted that the difference in

	<p>percentage figures, for performance across 51% of services, could be affected by the smallest of changes due to the small population. It was suggested that narrative could be added to support that position.</p> <p>The Chair commented that it was important to remember that the IJB performance continues to fair well and the IJB knows that it needs to work hard with its partners on its performance.</p>
Decision	The IJB Audit Committee NOTED Deloitte's Annual Audit Report on the 2018/19 Audit.

09/19	Final Audited Accounts 2018/19
CC-37-19-F	<p>The IJB Audit Committee noted a report by the Chief Financial Officer that presented the audited Annual Accounts for 2018/19 and the Management Representation Letter.</p> <p>The Chief Financial Officer introduced the report and reminded Members of the financial position as set out in the table on page 8 of Appendix 1, and the overspend highlighted in row 6 that required additional one off payments from the SIC and NHS. The Chief Financial Officer referenced the £541k surplus and reiterated the need for redesign. He concluded by stating that the IJB ended the year with a general reserve balance of £905k of which £474k was earmarked for specific purposes. He added that subject to approval by the IJB, the Accounts would be signed and published by the end of October 2019.</p> <p>There being no questions or debate the Chair commented that it was clear that a lot of work had gone into preparing the accounts and thanked those involved.</p>
Decision	<p>The IJB Audit Committee RESOLVED to:</p> <ul style="list-style-type: none"> • CONSIDER the audited Annual Accounts for 2018/19 (Appendix 1); and • NOTED the Management Representation Letter (Appendix 2)

10/19	Date of Next and Future meetings
	<p>The IJB Audit Committee next and future meeting dates for the remainder of the year are as follows:</p> <p>7 November 2019 6 February 2020</p>
Decision	The IJB Audit Committee NOTED the meeting dates for the remainder of the financial year.

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The meeting concluded at 2.20pm.

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CHAIR