

MINUTES – PUBLIC

Meeting	Integration Joint Board Audit Committee
Date, Time and Place	Thursday 27 June 2019 at 2pm Bressay Room, NHS Shetland HQ, Burgh Road, Lerwick
Present [Members]	<p><u>Voting Members</u> Jane Haswell Emma Macdonald Robbie McGregor</p> <p><u>Non-Voting Members</u> Josephine Robinson, Interim IJB Chief Officer Karl Williamson, IJB Chief Financial Officer</p>
In attendance [Observers/Advisers]	Christine Ferguson, Director of Corporate Services, SIC Jamie Manson, Executive Manager – Finance, SIC Jan Riise, Executive Manager – Governance and Law, SIC Sheila Duncan, Management Accountant, SIC Leisel Malcolmson, Committee Officer, SIC <i>[note taker]</i>
Apologies	<p><u>Voting Members</u> Shona Manson</p>
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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05/19	Unaudited Accounts 2018/19
CC-26-19-F	<p>The IJB Audit Committee considered a report by the Chief Financial Officer, that presented the Unaudited Accounts 2018/19 and sought approval of the Annual Governance Statement 2018/19.</p> <p>The Chief Financial Officer introduced the report and highlighted the key issues set out in section 4 of the covering report. He provided a copy of an update to the Governance Statement, which had been emailed to Members that morning and attached as Annex A to this minute.</p> <p>During questions confirmation was provided that reference to “support for increased demand for self-directed support” on page 9 of the appendix, related specifically to the direct payment aspect of self-directed support.</p>

	<p>Comment was made that the significant variances identified on page 7 of the appendix had been explained well with enough detail provided. Members also acknowledged the good work of staff as detailed in the Operational Overview on page 4 of the Appendix. The Chief Financial Officer advised that more detail on the financial performance of the IJB during 2018/19 will be included in the Financial Monitoring Report that is to be presented later on the agenda.</p> <p>Mr McGregor moved that the IJB Audit Committee approve the recommendation contained in the report. Ms Haswell seconded.</p>
Decision	<p>The IJB Audit Committee</p> <ul style="list-style-type: none"> • CONSIDERED the 2018/19 Unaudited Annual Accounts for the Shetland Integration Joint Board (Appendix 1); • CONSIDERED the information at section 4.0 that highlights the key issues from the 2018/19 accounts; and • APPROVED the Annual Governance statement 2018/19 that forms part of the accounts (Appendix 1, pages 12-15).

06/19	Interim External Audit Report
CC-25-19-F	<p>The IJB Audit Committee considered a report by the Chief Financial Officer that presented the Interim External Audit Report provided by Deloitte LLP, for the year ended 31 March 2019.</p> <p>The Chief Financial Officer introduced Karlyn Watt, Deloitte LLP, who would speak to the interim audit report and take questions. Ms Watt explained that the wider scope was presented in this report which is earlier than in previous years, and that updates on actions would be presented in September. She then referred to the Scope of the Audit and the four audit dimensions set out on page 3 of the Deloitte Interim Audit report attached and commented on each in more detail set out on page 4.</p> <p>During discussions, comment was made that an integrated budget for the IJB would be welcomed rather than the current situation whereby the IJB has a working overspend against budget until the last minute when the NHS provides funding to achieve a balanced budget. Comment was made in support of staff dealing with this situation. The Chief Financial Officer advised that until the IJB services are fully funded from both partners, and the budget is aligned to the Strategic Commissioning Plan and Medium Term Financial Plan, it is very difficult for the budget to be fully integrated.</p> <p>The Director of Corporate Services advised that she is the</p>

Chair of the Local Partnership Finance Team for the three bodies who have reciprocal responsibility. She said that she echoed the Chief Financial Officer's comment regarding the need to align the budget with the Strategic Plan and the Medium Term Financial Plan. The Director of Corporate Services said that the difficulty comes when each party, i.e. the Council and the Health Board is legislatively required to allocate funding for different functions and remains accountable for their respective funding allocation. She said that each of the two parties must ensure that the functions, delegated by them to the IJB are undertaken and they must show appropriately how their funding allocation is spent. She said that the barrier to an integrated budget is the initial deficit in one allocation and the need to show a balanced budget. The Director of Corporate Services stated she could not emphasise enough that the difficulty is with the initial under allocation from one party and the IJB cannot do anything that loses the accountability of that party for the deficit in the process.

During further questions, reference was made to the suggestion that there should be a Finance Committee but that the IJB is too small that such a Committee would not work. It was considered that the function of a Finance Committee could be added to the Audit Committee, for example to create one Audit and Finance Committee.

In terms of comments around transformation work and the recommendation that the IJB should have its own transformation programme, it was recognised that there was a lot of overlap from the IJB perspective in the issues regarding the long term financial position. The Chief Officer said that the Strategic Plan contains a lot of this work but it could be more specific about what it is trying to achieve. In addition the Director of Corporate Services said that the IJB is joined up with the Business Transformation Programme, which is being led by the Council through participation from the Head of Planning and Modernisation and the Chief Officer of the IJB. She said that the Business Transformation Board are working on improvements for all agencies and the Shetland Partnership Board. She said that the new Performance Framework for Shetland involves all parties and work is done in collaboration with one performance framework to be used by all three agencies and the Shetland Partnership. The Director of Corporate Services advised that there will be a transition year and assured the IJB that the Head of Planning and Modernisation will be involved.

Attention was drawn to comment that the public require more knowledge regarding the remit of the IJB is and there needs to be more of a platform in that regard. However it was suggested that the public do not care who provides the service and with the integration of services as long as it is provided. During the discussion, Ms Watt suggested that the Health and Social Care provision should be referenced and promoted more clearly.

	<p>The Chief Officer advised that the Council was to deliver its new website soon and this would host a separate website for the IJB.</p> <p>The Chair thanked Ms Watt for presenting the report and said that the IJB Audit Committee are aware of what work needs to be done to make progress and that the Medium Term Financial Plan will be more robust going forward. She said that the need to address change is a priority and it will evolve and be more adaptable. She acknowledged what work had been done by staff to deliver existing services each day and that staff should be proud of what they do.</p>
Decision	The IJB Audit Committee NOTED Deloitte's Interim Audit Report to the IJB Audit Committee on the audit for year ended 31 March 2019 (Appendix 1).

07/19	Date of Next and Future meetings
	<p>The IJB Audit Committee NOTED the meeting dates provided were incorrect. Reference was made to a request of the Committee that dates be changed to separate the IJB Audit Committee meeting from the IJB allowing time for the Interim Chief Officer to report on matters to the IJB. It was noted that the separation of meetings would be implemented, with the exception of June and September, when the Accounts are presented for consideration.</p> <p>The IJB Audit Committee noted the dates for the remainder of the year as follows:</p> <p>8 August 2019 26 September 2019 7 November 2019 6 February 2020</p>
Decision	<p>The IJB Audit Committee noted the new dates for the remainder of the year as follows:</p> <p>8 August 2019 26 September 2019 7 November 2019 6 February 2020</p>

The meeting concluded at 2pm.

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CHAIR

