

A meeting of the Inverclyde Integration Joint Board Audit Committee will be held on Tuesday 19 March 2019 at 1pm within Board Room 1, Municipal Buildings, Greenock.

Gerard Malone
Head of Legal and Property Services

BUSINESS

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Enquiries to - **Sharon Lang** - Tel 01475 712112

INVERCLYDE INTEGRATION JOINT BOARD AUDIT COMMITTEE – 29 JANUARY 2019**Inverclyde Integration Joint Board Audit Committee****Tuesday 29 January 2019 at 1pm****Present:** Councillors L Quinn and L Rebecchi, Mr A Cowan and Dr D Lyons.**Chair:** Councillor Rebecchi presided.**In attendance:** Ms L Long, Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership, Ms L Aird, Chief Financial Officer, HSCP, Ms S McAlees, Head of Children's Services & Criminal Justice, Ms A Priestman, Chief Internal Auditor, Ms V Pollock (for Head of Legal & Property Services) and Ms S Lang (Legal & Property Services).**1 Apologies, Substitutions and Declarations of Interest 1**

No apologies for absence or declarations of interest were intimated.

2 Minute of Meeting of Inverclyde Integration Joint Board Audit Committee of 11 September 2018 2

There was submitted minute of the meeting of the Inverclyde Integration Joint Board (IJB) Audit Committee of 11 September 2018.

It was noted in relation to decision 16(3) (IJB Risk Management Update), that representatives of CIPFA would be in attendance at the 20 February 2019 development session to provide a brief overview of the processes involved in moving from the existing to new risk register and that a report would be submitted to the March meeting of the IJB Audit Committee.

Decided: that the minute be agreed.**3 Internal Audit Progress Report – 20 August 2018 to 4 January 2019 3**

There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership on the progress made by Internal Audit during the period 20 August 2018 to 4 January 2019.

The Chief Internal Auditor presented the report, being the regular progress report and advised as follows:-

(1) that one Internal Audit report (IJB Directions) had been finalised since the last meeting in September 2018 with an overall control environment opinion of satisfactory. There are 2 green issues and an action plan to address both issues by the expected date of 30 April 2019 was in place;

(2) Fieldwork is underway in respect of the IJB Financial Planning Audit;

(3) There are nine current action points from previous IJB audits being progressed by Officers, five of those action points have missed agreed deadlines and management comments on this are detailed in the report;

(4) Greater Glasgow & Clyde NHS Board have appointed Scott Moncrieff as Internal Auditors; and

(5) Since September 2018, there were no internal audit reports presented to Inverclyde Council which are of relevance to the IJB Audit Committee.

During the discussion on this item, key issues highlighted were:

INVERCLYDE INTEGRATION JOINT BOARD AUDIT COMMITTEE – 29 JANUARY 2019

IJB Directions – There was discussion on the necessity of joint directions involving two or more IJBs with an explanation given as to possible circumstances in which joint directions could be used.

It was confirmed that any changes to the IJB Directions Policy as a result the Scottish Government's statutory guidance would be reported to the IJB Audit Committee.

Review of Key Governance Documents – It was noted that this action had now been completed.

Training and Development of Personal Development Plans – Governance Matters – It was noted that the proposed approach would combine standard training for all IJB members, as identified by Officers, together with an element of self-assessment which would enable members to highlight any individual training and development needs. It was suggested that the preparation of a Personal Development Plan for each IJB member, particularly those serving on more than one IJB, may not be proportionate and it was agreed that this action required further consideration with a view to a possible alteration to the wording.

Decided: that the progress made by Internal Audit in the period from 20 August 2018 to 4 January 2019 be noted.

4 External Audit – Proposed Audit Fee 2018/19

4

There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership advising the Committee of the proposed Audit Scotland External Audit fee of £25,000 for 2018/19, a further £1,000 or 4.2% increase from 2017/18.

Decided: that the proposed Audit fee be noted and that it be agreed that the Chair write to Audit Scotland querying the level of fee, asking for an itemised breakdown of chargeable time in relation to the fee and requesting that the level of the proposed fee be reviewed as a matter of urgency.

Report To:	Inverclyde Integration Joint Board Audit Committee	Date: 19 March 2019
Report By:	Louise Long, Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No: IJBA/07/2019/LA
Contact Officer:	Lesley Aird	Contact No: 01475 715381
Subject:	EXTERNAL AUDIT FEE 2018/19	

1.0 PURPOSE

- 1.1 The purpose of this report is to present the response from Audit Scotland in relation to their fee proposal for 2018/19.

2.0 SUMMARY

- 2.1 At its January meeting, the Committee considered the 2018/19 fee proposal from Audit Scotland and agreed that a letter should be sent to Audit Scotland querying the fee and in particular the significant increase over two years.
- 2.2 Audit Scotland's response is detailed in this report. They are not proposing a change in the fee structure

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the IJB Audit Committee notes the response from Audit Scotland and authorises officers to accept the proposed fee.

Louise Long
Chief Officer

Lesley Aird
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The January Committee considered the fee proposal for 2018/19 from Audit Scotland. The proposed audit fee for 2018/19 was again a flat fee for all IJBs of £25,000. This represented a further £1,000 or 4.2% increase from 2017/18. The overall increase in the IJB audit fee since 2016/17 is £7,600 or 43%. The Committee agreed that a letter should be sent to Audit Scotland querying the fee.

5.0 RESPONSE FROM AUDIT SCOTLAND

- 5.1 The following response was received from David Jamieson of Audit Scotland on 24 February 2019.

Further to your request for an explanation of the rationale and re consideration of our 2018/19 fee, I offer the following comments.

It may be helpful just to reiterate that our audit goes beyond simply providing assurance on the financial statements and internal controls. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.

The audit fee strategy forms part of Audit Scotland's Budget Proposal to the Scottish Commission for Public Audit (<https://www.parliament.scot/parliamentarybusiness/101154.aspx>). Our latest budget for 2019/20 was presented to the SPCA on 12 December 2018: (http://www.parliament.scot/ScottishCommissionforPublicAudit/2019-20_budget_SCPA_submission_Final.pdf)

The budget outlined a 5.8% increase in our budget with only 1.9% being passed on as increased charges to audited bodies. This results in an average fee increase of 3.0% in "other" local government bodies including IJBs.

The audit fee is constructed to cover the range of audit work and outputs required for us to comply with the Code of Audit Practice, which can be found on Audit Scotland's website:

http://www.audit-scotland.gov.uk/uploads/docs/report/2016/code_audit_practice_16.pdf

As you know, the 2018/19 audit fee for Inverclyde Integration Joint Board was laid out in Audit Scotland's letter to you of 6 December 2018. Audit Scotland set auditor remuneration based on its assessment of the work likely to be needed to deliver the audit. To this figure is added an allocation of pooled costs, performance audit costs and audit support costs resulting in a total "expected fee". The 2018/19 total expected fee for Inverclyde IJB is £25,000, an increase of £1,000 (4.2%) on the 2017/18 fee. These individual fee elements were set out in my 'Proposed Audit Fee' letter to you of 29 January 2019.

The Corporate Finance Manager says in his letter of 6 December 2018 that audit fees are based on Audit Scotland's Funding and Fee Strategy which was revised in 2016 following consultation with stakeholders. The two key principles for the fee setting arrangements are:

- Audit fees should be set with the objective to recover the full cost of audit work in each sector*
- The cost of the audit should be independent of the identity or location of the auditor.*

In the previous year, fee levels were adjusted across all IJBs as there was a consensus that IJB fees in 2016/17 were not adequate for the work done, in particular to cover the auditor's wider scope audit responsibilities and to continue

to deliver a good quality audit in compliance with auditing standards. There was also a view that fees should be set the same for all IJBs with the ability to use the range (up to +10% auditor remuneration) if there were particular local complexities. The reason for this is that the basic requirement of an IJB audit is similar despite relative expenditure differences, with significant risks in financial sustainability, management and delivery of transformational change to services. As a result of these factors, the fee increased by 38% in 2017/18.

The expected fee for each body assumes that it has sound governance arrangements in place and operating effectively throughout the year, prepares comprehensive and accurate unaudited accounts and meets the agreed timetable for audit. It represents Audit Scotland's best estimate of the fee required to complete an audit where the audited body has no significant audit risks and it has in place a sound control environment.

We reported in the IJB's Annual Report on the 2017/18 Audit that we received the unaudited annual accounts in line with our agreed audit timetable, the working papers provided with the unaudited annual accounts were of a good standard and based on the work we have undertaken and knowledge of the IJB, we are satisfied that the governance arrangements in place at the IJB are sound and support good governance and accountability. As a result Inverclyde IJB falls into the criteria for an audited body which requires a standard audit that can be delivered at the expected fee.

The 2018/19 Annual Audit Plan describes the scope of our planned audit work. This input is similar to other IJB audits performed by Audit Scotland.

I hope that this letter explains more fully the rationale behind our proposal and allows us to reach an agreement of the fee. However should the IJB still consider that they are unable to agree with our proposal, I will forward the board's comments, together with my response, to the Associate Director, Corporate Services within Audit Scotland who will adjudicate on the fee level.

- 5.2 Officers recommend that the Committee accepts the proposed fee based on the explanation provided.

6.0 DIRECTIONS

6.1	Direction Required to Council, Health Board or Both	Direction to:	
		1. No Direction Required	X
		2. Inverclyde Council	
		3. NHS Greater Glasgow & Clyde (GG&C)	
		4. Inverclyde Council and NHS GG&C	

7.0 IMPLICATIONS

7.1 FINANCE

There are no financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A					

LEGAL

- 7.2 There are no specific legal implications arising from this report.

HUMAN RESOURCES

- 7.3 There are no specific human resources implications arising from this report.

EQUALITIES

- 7.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

√

YES (see attached appendix)

NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

- 7.5 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

Equalities Outcome	Implications
People, including individuals from the above protected characteristic groups, can access HSCP services.	None
Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.	None
People with protected characteristics feel safe within their communities.	None
People with protected characteristics feel included in the planning and developing of services.	None
HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.	None
Opportunities to support Learning Disability service users experiencing gender based violence are maximised.	None
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

- 7.6 **CLINICAL OR CARE GOVERNANCE IMPLICATIONS**

There are no governance issues within this report.

7.7 NATIONAL WELLBEING OUTCOMES

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	None
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	None
People who use health and social care services have positive experiences of those services, and have their dignity respected.	None
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	None
Health and social care services contribute to reducing health inequalities.	None
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	None
People using health and social care services are safe from harm.	None
People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	Querying this fee increase demonstrates pursuit of best value

8.0 CONSULTATION

- 8.1 This paper has been prepared by the Chief Financial Officer and shared with the Chief Officer.

9.0 BACKGROUND PAPERS

- 9.1 None.

Report To:	Inverclyde Integration Joint Board Audit Committee	Date:	19 March 2019
Report By:	Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No:	IJBA/05/2019/AP
Contact Officer:	Andi Priestman	Contact No:	01475 712251

Subject: INTERNAL AUDIT PROGRESS REPORT – 7 JANUARY TO 22 FEBRUARY 2019

1.0 PURPOSE

- 1.1 The purpose of this report is to enable IJB Audit Committee members to monitor the performance of Internal Audit and gain an overview of the IJB's overall control environment.
- 1.2 The report also presents an update on the Internal Audit work undertaken at Inverclyde Council and NHS Greater Glasgow and Clyde (NHSGGC) between 7 January and 22 February 2019 that may have an impact upon the IJB's control environment.

2.0 SUMMARY

- 2.1 There was one internal audit report finalised since the last Audit Committee meeting in January 2019:
 - IJB Financial Planning Arrangements
- 2.2 The fieldwork for the 2018/2019 plan is now complete.
- 2.3 In relation to Internal Audit follow up, there was one action plan due for completion by 28 February 2019 which has been reported as completed by management. The current status report is attached at Appendix 1.
- 2.4 In addition, since the last Audit Committee meeting in January 2019, there was one Internal Audit Report reported to Inverclyde Council which is relevant to the IJB Audit Committee. This is set out at Section 5 of this report.
- 2.5 Internal Audit within Inverclyde Council and NHSGGC continued to undertake follow up of actions in accordance with agreed processes and report on progress to the respective Audit Committees.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that IJB Audit Committee members agree to note the progress made by Internal Audit in the period from 7 January to 22 February 2019.

Louise Long
Chief Officer Inverclyde Health & Social Care Partnership

4.0 BACKGROUND

- 4.1 In September 2018, the Audit Committee approved the current Internal Audit Annual Plan which detailed the activity to be undertaken during 2018-19.
- 4.2 Internal Audit reports findings and action plans to relevant IJB Officers and the Audit Committee as part of the annual audit plan. A follow up process is in place to allow follow up of current internal audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to the Audit Committee.
- 4.3 In each audit, one of 4 overall opinions is expressed:

Strong	In our opinion there is a sound system of internal controls designed to ensure that the organisation is able to achieve its objectives.
Satisfactory	In our opinion isolated areas of control weakness were identified which, whilst not systemic, put some organisation objectives at risk.
Requires improvement	In our opinion systemic and/or material control weaknesses were identified such that some organisation objectives are put at significant risk.
Unsatisfactory	In our opinion the control environment was considered inadequate to ensure that the organisation is able to achieve its objectives.

- 4.4 Individual audit findings are categorised as Red, Amber or Green:

Red	In our opinion the control environment is insufficient to address the risk and could impact the organisation as a whole. Corrective action must be taken and should start immediately.
Amber	In our opinion there are areas of control weakness which we consider to be individually significant but are unlikely to affect the organisation as a whole.
Green	In our opinion our audit highlighted areas for minor control improvement and/or areas of minor control weakness.

- 4.5 A summary is also provided in relation to internal audit work undertaken at Inverclyde Council and NHS Greater Glasgow and Clyde that may have an impact upon the IJB's control environment.

5.0 CURRENT POSITION

- 5.1 There was one internal audit report finalised since the last Audit Committee meeting in January 2019:
- IJB Financial Planning Arrangements

5.0 CURRENT POSITION (CONTINUED)

- 5.2 The Inverclyde Integration Joint Board (IJB) oversees the delivery of services provided by the local Health & Social Care Partnership (HSCP). In order to implement the IJB's strategic planning processes effective financial planning arrangements must be in place. Those arrangements will cover different timescales and involve managing various risks such as the funding available to the IJB's delivery partners, Inverclyde Council and NHS Greater Glasgow & Clyde. For 2018/19 the projected outturn net expenditure for the Inverclyde IJB is £149.9m. It was within this context that during March 2018 the IJB approved a three year financial plan. Increasing demand from service users, especially those with complex needs, means that sound financial planning arrangements must operate in order to deliver local and national priorities.
- 5.3 The objective of this audit was to provide the IJB Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by Inverclyde IJB in relation to its financial planning arrangements.
- 5.4 The review focused on the high level processes and procedures in relation to the IJB's financial planning arrangements and concentrated on identified areas of perceived higher risk, such as not fully integrating the IJB's financial and strategic planning processes and not sufficiently embedding risk management within the IJB's financial planning arrangements.
- 5.5 The overall control environment opinion for this audit review was **Satisfactory**. The review identified 2 GREEN issues which if implemented by management would enhance the control environment:

- Adequacy of the Inverclyde Integration Joint Board's (IJB) financial planning process

Effective financial planning includes providing IJB members with information which supports their role within the financial planning process. The IJB's Chief Officer and Chief Financial Officer undertake various activities in order to forecast changes in the IJB's income and expenditure. Those activities resulted in a three year Financial Plan which was submitted to the IJB in March 2018. Section 5 of the Financial Plan contained contextual information which illustrated the complexities of financial planning. On 29th January 2019 a draft Strategic Plan (2019-2024) was submitted to the IJB and it included an updated and summarised Financial Plan. However, we found that:

- the IJB's updated Financial Plan does not include a structured analysis of the risks associated with its implementation, although we acknowledge that officers are informally assessing those risks. These risks include unexpected changes in the IJB's income and expenditure streams such as higher than expected prescribing costs and pay inflation along with rises in the number of service users with complex needs; and
- whilst the IJB's Financial Plan outlined the most likely financial scenario it was not clear from the Plan that the Chief Financial Officer had also examined best and worst case scenarios.

5.0 CURRENT POSITION (CONTINUED)

- Guidance to support Inverclyde IJB's financial planning process

Financial planning involves making multi-year estimates of the IJB's various income and expenditure streams. Those estimates must allow for implementation of the IJB's Strategic Plan whilst also delivering financial savings to offset the growing demand for health and social care services. In this respect the IJB's Chief Officer and Chief Financial Officer work closely with senior officers from Inverclyde Council and NHS Greater Glasgow & Clyde. Given the nature of partnership working it is important that financial planning activities are supported by adequate guidance. However, we found that although a budget setting protocol exists there is no equivalent guidance regarding financial planning.

In addition, financial planning and budgeting activities take place within the IJB's governance framework which also defines officers' roles and responsibilities. That framework is governed by the Public Bodies (Joint Working) (Scotland) Act 2014. Governance documentation includes the IJB's Integration Scheme and Financial Regulations. However, we found that there is no IJB Scheme of Delegation to Officers and the IJB's Financial Regulations have not been reviewed since 2015.

5.6 The review identified 2 issues, neither of which we consider to be individually significant and an action plan is in place to address both issues by 30 September 2019.

5.7 The fieldwork for the 2018/2019 plan is now complete.

5.8 In relation to Internal Audit follow up, there was one action plan due for completion by 28 February 2019 which has been reported as complete by management. There are 10 current actions being progressed by officers. The current status report is attached at Appendix 1.

5.9 Inverclyde Council – Internal Audit Progress Report Summary

Since the last Audit Committee meeting in January 2019, there was one Internal Audit report presented to Inverclyde Council, which is relevant to the IJB Audit Committee:

- **Corporate Purchase Cards** (Satisfactory Opinion)

Corporate purchase cards are now widely used by many public and private organisations to order and pay for goods and services. Corporate purchase cards can provide Inverclyde Council with a simple to use, flexible system than can improve the efficiency of the order and payment process, reduce internal costs and allow goods to be obtained more quickly. Corporate purchase cards also help to improve expenditure controls and provide essential expenditure information.

The review focused on the high level processes and procedures in relation to the corporate purchase card process and concentrated on identified areas of perceived higher risk, such as procedures are not in place to adequately authorise the use of corporate purchase cards or to properly administer corporate purchase cards.

Seven GREEN issues were identified which if implemented by management would enhance the control environment as follows:

5.0 CURRENT POSITION (CONTINUED)

- Expenditure logs are not always fully completed by cardholders which makes the statement reconciliation more difficult to perform.
- Employee travel costs paid by corporate purchase card were not always correctly coded to the employee travel and subsistence budget.
- Through audit testing of high value supplier spend >£5k it was identified that there was no contract in place for a number of suppliers tested and there may be scope to obtain a discount for prompt payment.
- Amendments to corporate purchase cards eg monthly card limits or categories are requested via the telephone with the Bank. Although a report is available which details amendments which have been processed, this report is not currently reviewed to validate the changes processed.
- Currently there is no management information generated on corporate purchase card spend which limits management's ability to review the effectiveness of the use of corporate purchase cards within services.
- Minor issues were identified in relation to out of date aspects of the corporate purchase card policy and procedures.
- Training is not provided to new cardholders and some cardholders interviewed were not aware of the current policy and procedures.

5.10 The review identified 7 issues, none of which were considered to be individually significant and an action plan is in place to address all issues by 30 June 2019.

5.11 A number of corporate fraud investigations have been undertaken as follows:

Year/Ref	Enquiry	Status
18/19 18-161	Misuse of Blue Badge	Badge seized and referred to East Ayrshire Council.
18/19 18-162	Misuse of Expired Blue Badge	Expired badge voluntarily given up by user.
18/19 18-165	Misuse of Blue Badge	Badge seized and BBIS database updated.
18/19 18-170	Misuse of Blue Badge	Badge seized and advice given.
18/19 18-171	Misuse of Expired Blue Badge	Badge seized and advice given.
18/19 18-172	Misuse of Expired Blue Badge	No misuse detected but badge seized and destroyed.
18/19 18-173	Misuse of Blue Badge	Badge seized and advice given.
18/19 18-174	Misuse of Expired Blue Badge	Badge seized and advice given.
18/19 18-177	Misuse of Expired Blue Badge	Badge seized and advice given.
18/19 18-178	Misuse of Blue Badge	Badge seized and advice given.
18/19 18-180	Misuse of Blue Badge	Badge seized and advice given.
18/19 18-181	Misuse of Organisational Blue Badge	Misuse established. Visit to organisation carried out and advice given to management.
18/19 18-183	Misuse of Expired Blue Badge	Badge seized and returned to North Ayrshire Council for destruction.
18/19 18-185	Misuse of Blue Badge	Visit carried out and badge seized.
18/19 18-186	Misuse of Expired Blue Badge	Badge seized and advice given.
18/19 18-188	Misuse of Expired Blue Badge	Badge seized and advice given.

5.12 NHSGGC - Internal Audit Progress Report Summary

Since the last Audit Committee meeting in January 2019, there were no Internal Audit Reports issued to and agreed by NHSGGC Audit Committee which are relevant to the IJB Audit Committee.

- 5.13 As part of the Strategic Plan it is intended that Internal Audit will undertake follow up work to confirm the implementation of audit recommendations. The results of the follow up work will be reported to the NHSGCC Audit Committee with any matters of concern being drawn to the attention of this Committee.

6.0 IMPLICATIONS

Finance

- 6.1 The work required to deliver the Annual Internal Audit Plan will be contained within the existing Internal Audit budget set by Inverclyde Council.

Financial Implications:

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A					

Legal

- 6.2 There are no direct legal implications arising from this report.

Human Resources

- 6.3 There are no direct HR implications arising from this report.

Equalities

- 6.4 Has an Equality Impact Assessment been carried out?

	YES
X	NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

How does this report address our Equality Outcomes?

Equalities Outcome	Implications
People, including individuals from the above protected characteristic groups, can access HSCP services.	None
Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.	None
People with protected characteristics feel safe within their communities.	None
People with protected characteristics feel included in the planning and developing of services.	None
HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.	None
Opportunities to support Learning Disability service users experiencing gender based violence are maximised.	None
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

6.5 There are no direct clinical or care governance implications arising from this report.

National Wellbeing Outcomes

6.6 How does this report support delivery of the National Wellbeing Outcomes?

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	None
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	None
People who use health and social care services have positive experiences of those services, and have their dignity respected.	None
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	None
Health and social care services contribute to reducing health inequalities.	None
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	None
People using health and social care services are safe from harm.	None
People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	None

7.0 DIRECTIONS

7.1	Direction Required to Council, Health Board or Both	Direction to:	
		1. No Direction Required	X
		2. Inverclyde Council	
		3. NHS Greater Glasgow & Clyde (GG&C)	
		4. Inverclyde Council and NHS GG&C	

8.0 CONSULTATIONS

8.1 N/A

9.0 LIST OF BACKGROUND PAPERS

9.1 Internal Audit Reports. Copies available from Chief Internal Auditor.

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
AT 28 FEBRUARY 2019**

Summary: Section 1 Summary of Management Actions due for completion by 28/02/19

There was one item due for completion by 28 February 2019 which has been reported as completed by management.

Section 2 Summary of Current Management Actions Plans at 28/02/19

At 28 February 2019 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 28/02/19

At 28 February 2019 there were 10 current audit action points.

Section 4 Analysis of Missed Deadlines

At 28 February 2019 there were 5 audit action points where the agreed deadline had been missed.

Section 5 Summary of Audit Action Points By Audit Year

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 28.02.19

SECTION 1

No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*	No action proposed
1	1			

* These actions are included in the Analysis of Missed Deadlines – Section 4

Report	Action Completed
Review of Governance Arrangements (February 2017)	<p>Managing reviews and updates of the Integration Joint Board's (IJB) governance documents (Green)</p> <p>The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will organise a formal two year rolling timetable to review and update all relevant IJB governance documents.</p> <p>Action due date: 31/01/19</p>

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF CURRENT MANAGEMENT ACTIONS AS AT 28.02.19

SECTION 2

Current Actions	
Due for completion March 2019	2
Due for completion April 2019	4
Due for completion June 2019	3
Due for completion September 2019	1
Total current actions:	10

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 28.02.19

SECTION 3

Action	Owner	Expected Date
Review of Governance Arrangements (February 2017)		
Managing IJB members individual training needs in governance matters (Green) The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will ensure that IJB members undertake a self-assessment exercise on an annual basis which reflects their training needs in governance matters, including refresher training. This will be factored into future development sessions for IJB Members.	Chief Officer	30.06.19*
Strategic Planning and Performance Management Arrangements (January 2018)		
Annual review of the IJB's three year strategic plan and managing changes which impact on delivering outcomes (Amber) The Head of Strategy & Support Services will also: <ul style="list-style-type: none"> • increase the role of the Strategic Planning Group in monitoring implementation of the strategic plan; and • develop the Strategic Planning Group's role in monitoring the process for measuring delivery of outcomes within the strategic plan in order that the Strategic Planning Group can be satisfied those arrangements are supported by robust evidence. 	Head of Strategy & Support Services	30.04.19*
Ensuring compliance with legal requirements regarding the Strategic Planning Group (Green) The Head of Strategy & Support Services will, in consultation with the IJB Standards Officer, develop an approach to actively manage all outstanding compliance issues regarding the operation of the Strategic Planning Group.	Head of Strategy & Support Services	31.03.19*

* These actions are included in the Analysis of Missed Deadlines – Section 4

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 28.02.19

SECTION 3

Action	Owner	Expected Date
Workforce Planning (May 2018)		
Managing the People Plan within the overall planning landscape (Green) Management will seek agreement with relevant Council officers in order that reliance can be placed upon the HSCP's partnership approach to workforce planning.	Head of Strategy & Support Services	31.03.19
IJB Directions (December 2018)		
Use of Integration Joint Board (IJB) directions when changing HSCP services (Green) Financial changes in directions are managed through the IJB monitoring reports process and there are thresholds in place around budget changes and virements – no further change proposed for this. Non-financial criteria – all substantive service changes are already subject to specific reports to the IJB and relevant funding body – proposed that a section is added to the IJB reports to confirm whether on a case by case basis the change requires a specific updated direction to be issued. Await final directions guidance from Scottish Government before implementing to ensure the new guidance is followed.	Chief Officer	30.04.19

* These actions are included in the Analysis of Missed Deadlines – Section 4

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 28.02.19

SECTION 3

Action	Owner	Expected Date
<p>Adequacy of the Integration Joint Board's Directions Policy (Green)</p> <p>The IJB's policy on directions will be reviewed and updated by:</p> <ul style="list-style-type: none"> clearly endorsing the current practice whereby wide-ranging IJB directions are included within regular IJB financial reports in order to authorise the ongoing delivery of HSCP services; including within each IJB report an "information grid" which shows whether or not IJB directions require to be issued at all or issued to the Council, Health Board or to both of its delivery partners; amending the template used for IJB directions to include a unique reference number which comprises the IJB meeting date and corresponding report number; amending the template used for IJB directions to include a "direction status box" to distinguish between updated directions, new directions and the cancellation of existing directions; and allowing for the preparation of joint directions involving two or more of the IJB's within NHS Greater Glasgow & Clyde along with outlining the circumstances in which joint IJB directions could become necessary. 	<p>Chief Officer/ Legal Services Manager/CFO</p>	<p>30.04.19</p>
<p>Once the Scottish Government's statutory guidance on IJB directions has been issued the Integration Joint Board's Chief Officer will, in conjunction with the IJB's Standards Officer, examine how best to demonstrate compliance with that guidance whilst retaining those elements of current practice which are operating satisfactorily.</p> <p>The IJB's Chief Officer will seek approval from the Inverclyde IJB to implement a revised policy on managing IJB directions.</p>	<p>Chief Officer/ Legal Services Manager/CFO</p>	<p>30.04.19</p>

* These actions are included in the Analysis of Missed Deadlines – Section 4

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 28.02.19

SECTION 3

Action	Owner	Expected Date
IJB Financial Planning Arrangements (February 2019)		
<p>Adequacy of the Inverclyde Integration Joint Board's (IJB) financial planning process (Green) The IJB's Chief Financial Officer will update the IJB's Financial Plan and:</p> <ul style="list-style-type: none"> include analysis of the risks associated with its implementation; retain section 5 of the first Financial Plan and outline the financial implications of implementing the next Strategic Plan make clear that best and worst case scenarios had been examined when preparing the most likely financial scenario for the IJB; consider including best and worst case financial scenarios; and set a timetable to review and update the Financial Plan and align it to reviews of the Strategic Plan. 	IJB Chief Financial Officer	30.06.19
<p>Guidance to support Inverclyde IJB's financial planning process (Green) The Inverclyde IJB Chief Financial Officer will:</p> <ul style="list-style-type: none"> develop appropriate financial planning guidance which is consistent with the existing budget setting protocol. This guidance will specify the roles and responsibilities of all relevant officers involved in financial planning; consider including the existing budget setting protocol and financial planning guidance as appendices to the IJB's Financial Regulations; and set a date for completing a review of the IJB's Financial Regulations. 	IJB Chief Financial Officer	30.06.19
<p>The Inverclyde IJB Standards Officer will develop an appropriate Scheme of Delegation to Officers. The Scheme of Delegation to Officers will include reference to financial planning.</p>	IJB Standards Officer	30.09.19

* These actions are included in the Analysis of Missed Deadlines – Section 4

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Review of Governance Arrangements (February 2017)	<p>Managing IJB members individual training needs in governance matters (Green)</p> <p>The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will ensure that IJB members undertake a self-assessment exercise on an annual basis which reflect their training needs in governance matters, including refresher training. This will be factored into future development sessions for IJB Members.</p>	<p>28.02.18</p> <p>30.09.18</p>	30.06.19	<p>Induction training and packs are now in place for new members. Training has taken place throughout the year through development sessions and access to external training events.</p> <p>Code of Conduct training was provided on 21 January 2019.</p> <p>A self-assessment exercise will be undertaken for all IJB Members to information training and development needs going forward.</p>

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Strategic Planning and Performance Management Arrangements (January 2018)	<p>Embedding risk management arrangements within the Inverclyde IJB's strategic planning process (Amber)</p> <p>The Inverclyde IJB Chief Officer will direct all relevant officers to:</p> <ul style="list-style-type: none"> • embed risk management within the Inverclyde IJB strategic planning process. In particular this exercise will include preparing and regularly updating a risk register for both the current and subsequent strategic plan. The action plans flowing from the risk registers will concentrate on addressing critical risks which are at least to some extent controllable; and • examine how best to better utilise the knowledge and experience of Strategic Planning Group (SPG) participants when applying risk management to the Inverclyde IJB strategic planning process. 	30.06.18	31.03.19	A risk section will be included in the new strategic plan for 2019-2024. This will be informed by the work undertaken by the Strategic Planning Group at its meeting on 8 March which will include a session on developing a risk register.

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Strategic Planning and Performance Management Arrangements (January 2018)	<p>Ensuring compliance with legal requirements regarding the Strategic Planning Group (Green)</p> <p>The Head of Strategy & Support Services will, in consultation with the IJB Standards Officer, develop an approach to actively manage all outstanding compliance issues regarding the operation of the Strategic Planning Group.</p>	<p>30.06.18</p> <p>30.09.18</p>	31.03.19	<p>The Terms of Reference and membership of the SPG were reviewed in January 2018 and approved at the meeting of the SPG on 8 February 2018 in preparation for the review of the 2016/2019 Strategic Plan and the development of the new Strategic Plan due in April 2019.</p> <p>Development programmes have been put in place for both the IJB and the SPG.</p> <p>A report will be presented to the IJB in March 2019 formally confirming Membership of the Strategic Planning Group, and describing the SPG role in monitoring implementation of the Strategic Plan 2019-24.</p>

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Strategic Planning and Performance Management Arrangements (January 2018)	<p>Annual review of the IJB's three year strategic plan and managing changes which impact on delivering outcomes (Amber)</p> <p>The Head of Strategy & Support Services will also:</p> <ul style="list-style-type: none"> • increase the role of the Strategic Planning Group in monitoring implementation of the strategic plan; and • develop the Strategic Planning Group's role in monitoring the process for measuring delivery of outcomes within the strategic plan in order that the Strategic Planning Group can be satisfied those arrangements are supported by robust evidence. 	30.09.18	30.04.19	<p>An annual review for 2018/19 has taken place as part of the development of the new Strategic Plan.</p> <p>The new Strategic Plan will highlight the 6 priority actions being delivered and there will be an associated action plan which will be updated by officers in advance of each SPG to include performance information and RAG status. There will be further work with SPG to ensure confident and robust measurements are in place.</p> <p>The implementation plan for the 2019-24 Strategic Plan includes specific targets and timelines. RAG status will be included for ease of navigation and effective oversight by the SPG.</p> <p>SPG development work will include time on monitoring the delivery of the Strategic Plan.</p> <p>A report will be presented to the IJB in March 2019 describing the SPG role in monitoring implementation of the Strategic Plan 2019-24.</p>

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF ACTION PLAN POINTS BY AUDIT YEAR

SECTION 5

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 28 February 2019.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2016/2017	3	2	0	0	1
2017/2018	8	5	0	1	2
2018/2019	6	0	0	0	6
Total	17	7	0	1	9

* This part of the table sets out the total number of current actions not yet due at the date of the follow up report.

Report To:	Inverclyde Integration Joint Board Audit Committee	Date: 19 March 2019
Report By:	Louise Long, Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No: IJB/06/2019/LA
Contact Officer:	Lesley Aird	Contact No: 01475 715381
Subject:	EXTERNAL AUDIT – ANNUAL AUDIT PLAN 2018/19	

1.0 PURPOSE

- 1.1 The purpose of this report is to present the External Audit Plan for 2018/19, produced by Audit Scotland.

2.0 SUMMARY

- 2.1 Appendix 1 contains the Annual Audit Plan 2018/19 for the IJB prepared by the IJB's External Auditors, Audit Scotland.
- 2.2 Representatives from Audit Scotland will be in attendance at the meeting in order to present the Plan and answer any questions.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the IJB Audit Committee notes the Annual Audit Plan 2018/19.

Louise Long
Chief Officer

Lesley Aird
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The IJB's External Auditors, Audit Scotland, have submitted their plan for the audit of the 2018/19 annual accounts. This plan is attached at Appendix 1.
- 4.2 A representative from Audit Scotland will be in attendance at the meeting in order to present the Plan and answer any questions.

5.0 DIRECTIONS

5.1	Direction Required to Council, Health Board or Both	Direction to:	
		1. No Direction Required	X
		2. Inverclyde Council	
		3. NHS Greater Glasgow & Clyde (GG&C)	
		4. Inverclyde Council and NHS GG&C	

6.0 IMPLICATIONS

6.1 FINANCE

There are no financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A					

LEGAL

- 6.2 There are no specific legal implications arising from this report.

HUMAN RESOURCES

- 6.3 There are no specific human resources implications arising from this report.

EQUALITIES

- 6.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

☐

YES (see attached appendix)



NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

6.5 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

Equalities Outcome	Implications
People, including individuals from the above protected characteristic groups, can access HSCP services.	None
Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.	None
People with protected characteristics feel safe within their communities.	None
People with protected characteristics feel included in the planning and developing of services.	None
HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.	None
Opportunities to support Learning Disability service users experiencing gender based violence are maximised.	None
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

6.6 CLINICAL OR CARE GOVERNANCE IMPLICATIONS

There are no governance issues within this report.

6.7 NATIONAL WELLBEING OUTCOMES

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	None
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	None
People who use health and social care services have positive experiences of those services, and have their dignity respected.	None
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	None
Health and social care services contribute to reducing health inequalities.	None

People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	None
People using health and social care services are safe from harm.	None
People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	None

7.0 CONSULTATION

- 7.1 The draft plan was circulated by Audit Scotland to the Chief Financial Officer for comment and feedback and shared with the Chief Officer.

8.0 BACKGROUND PAPERS

- 8.1 None.

Inverclyde Integration Joint Board

Annual Audit Plan 2018/19



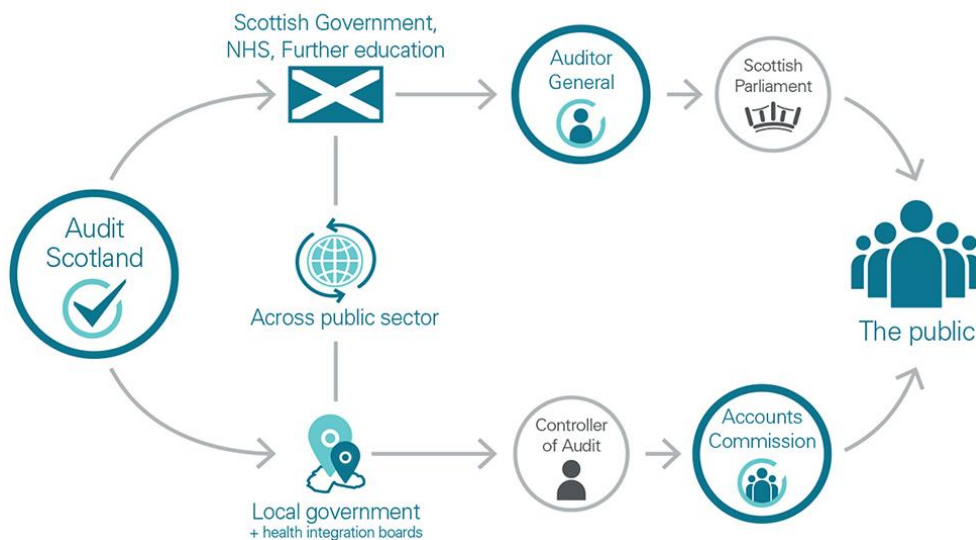
 AUDIT SCOTLAND

Prepared for Inverclyde Integration Joint Board
February 2019

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

Contents

Risks and planned work	4
Audit scope and timing	7

Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and any other relevant guidance. This plan sets out the work necessary to allow us to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit.

2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.


Adding value

3. We aim to add value to Inverclyde Integration Joint Board (Inverclyde IJB) through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help Inverclyde IJB promote improved standards of governance, better management and decision making and more effective use of resources.

Audit risks

4. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following main risk areas for Inverclyde Integration Joint Board. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

Exhibit 1 2018/19 Key audit risks

 Audit Risk	Source of assurance	Planned audit work
Financial statements issues and risks		
<p>1 Risk of management override of controls</p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> Assurances will be obtained from the auditors of Inverclyde Council and NHS Greater Glasgow and Clyde over the completeness, accuracy and allocation of the income and expenditure. Detailed testing of significant adjustments at year end. Agreement of balances and transactions to Inverclyde Council and NHS Greater Glasgow and Clyde financial reports/ correspondence.

Reporting arrangements

5. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

6. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.

7. We will provide an independent auditor's report to Inverclyde Integration Joint Board and the Accounts Commission setting out our opinions on the annual accounts. We will provide the Accountable Officer and Auditor General for Scotland and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

Exhibit 2

2018/19 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Plan	22 February 2019	19 March 2019
Annual Audit Report	30 September 2019*	5 September 2019 (TBC)
Independent Auditor's Report	30 September 2019*	5 September 2019 (TBC)

*These dates represent the certification deadline for the 2018/19 IJB accounts. However, we will agree an audit timetable to report the findings from the audit to those charged with governance prior to the certification of the annual accounts, which meets committee timetable when available.

Audit fee

8. The proposed audit fee for the 2018/19 audit of Inverclyde IJB is £25,000 (prior year fee £24,000). In determining the audit fee we have taken account of the risk exposure of IJB, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts, with a complete working papers package by 30 June 2019.

9. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Responsibilities

Audit Committee and Chief Accountable Officer

10. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

11. The audit of the annual accounts does not relieve management or the Audit Committee as those charged with governance, of their responsibilities.

Appointed auditor

12. Our responsibilities as independent auditors are established by the the 1973 Act for local government, and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

13. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts . We also review and report on the arrangements within the audited body to manage its performance, regularity and use of resources. In doing this, we aim to support improvement and accountability.

Audit scope and timing

Annual accounts

14. The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of Inverclyde IJB and the associated risks which could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how Inverclyde IJB will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

15. We will give an opinion on whether the financial statements:

- give a true and fair view of the state of affairs of Inverclyde IJB as at 31 March 2019 and of the income and expenditure of the IJB for the year then ended;
- have been properly prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014 and the Local Government in Scotland Act 2003.



characteristics



responsibilities



principal activities



risks



governance arrangements

Other information in the annual accounts

16. We also review and report on other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

17. We also read and consider any information in the annual accounts other than the financial statements and audited part of the remuneration report and report any uncorrected material misstatements.

Materiality

18. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

19. We calculate materiality at different levels as described below. The calculated materiality values for Inverclyde IJB are set out in [Exhibit 3](#).

Exhibit 3

Materiality values

Materiality	Amount
Planning materiality – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 2019 based on the budget for 2018/19.	£1.5 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 50% of planning materiality.	£0.75 million
Reporting threshold (i.e. clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 3% of planning materiality, rounded to £50k	£50,000



Source: Audit Scotland

Timetable

20. To support the efficient use of resources it is critical that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#) which takes account of submission requirements and planned Audit Committee dates.

Exhibit 4

Annual accounts timetable

 Key stage	 Date
Consideration of unaudited annual accounts by those charged with governance	25 June 2019
Latest submission date of unaudited annual with complete working papers package	30 June 2019
Latest date for final clearance meeting with Chief Financial Officer	31 July 2019
Agreement of audited unsigned annual accounts	By 5 September 2019
Issue of Letter of Representation and proposed independent auditor's report	By 5 September 2019
Issue of Annual Audit Report to those charged with governance	By 5 September 2019 (TBC)
Latest date for signing Independent auditor's report	30 September 2019

Internal audit

21. Internal audit is provided by Inverclyde Council. As part of our planning process we carry out an annual assessment of the internal audit function to ensure that it operates in accordance with Public Sector Internal Audit Standards (PSIAS). We will report any significant findings to management on a timely basis

Using the work of internal audit

22. Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible to avoid duplication. We plan to consider the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.

Audit dimensions

23. Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

Exhibit 5 Audit dimensions



Source: Code of Audit Practice

24. In the local government sector, the appointed auditor's annual conclusions on these four dimensions will help contribute to an overall assessment and assurance on best value.

Financial sustainability

25. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the Integration Joint Board's financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps
- whether Inverclyde IJB can demonstrate the affordability and effectiveness of funding and investment decisions it has made.

Financial management

26. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether there are arrangements in place to ensure systems of internal control are operating effectively
- whether the Integration Joint Board can demonstrate the effectiveness of budgetary control system in communicating accurate and timely financial performance
- how the Integration Joint Board has assured itself that its financial capacity and skills are appropriate
- whether appropriate and effective arrangements for the prevention and detection of fraud and corruption have been established.

Governance and transparency

27. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision – making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether Inverclyde IJB can demonstrate that the governance arrangements in place are appropriate and operating effectively.
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.

Value for money

28. Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether Inverclyde IJB:

- can provide evidence that it is demonstrating value for money in the use of its resources.
- can demonstrate that there is a clear link between money spent, output and outcomes delivered.
- can demonstrate that outcomes are improving.
- have sufficient focus on improvement and the pace of it.

Independence and objectivity

29. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland’s Ethics Partner.

30. The engagement lead (i.e. appointed auditor) for Inverclyde IJB is Brian Howarth, Audit Director. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of Inverclyde Integration Joint Board.

Quality control

31. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

32. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

33. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

Inverclyde Integration Joint Board

Annual Audit Plan 2018/19

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Report To:	Inverclyde Integration Joint Board Audit Committee	Date: 19 March 2019
Report By:	Louise Long, Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No: IJBA/03/2019/LA
Contact Officer:	Lesley Aird	Contact No: 01475 715381
Subject:	FINANCIAL REGULATIONS UPDATE	

1.0 PURPOSE

- 1.1 The purpose of this report is to seek IJB Audit Committee approval of revised Financial Regulations which detail the responsibilities of the Integration Joint Board (IJB) for its own financial affairs

2.0 SUMMARY

- 2.1 The Financial Regulations provide the financial governance framework in which the IJB will operate. Draft regulations were agreed by the IJB at its August 2015 meeting. Further work has been done since then to further refine these financial regulations to reflect best practice and the requirements of the new IJBs.

- 2.2 The Financial Regulations are informed by both the:

- Professional guidance developed by the Integrated Resources Advisory Group (IRAG), a national group established to develop guidance to support the implementation of the Public Bodies Joint Working (Scotland) Act 2014.
- Work to date from officer working groups comprising NHS and Local Authority finance professionals developing IRAG guidance into a set of procedures that will support the IJB in decision making in strategic and operational finance matters

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Integration Joint Board Audit Committee notes the contents of this report and approves the revised Financial Regulations as set out in Appendix 1 of this report.

Louise Long
Chief Officer

Lesley Aird
Chief Financial Officer

4.0 BACKGROUND

- 4.1 Both the Council and the Health Board operate under Financial Regulations or Standing Financial Instructions in the operational delivery of services. As this service delivery will continue to be carried out within the Council and the Health Board, all operational and transactional finance matters for delivery of Inverclyde HSCP services will comply with Council Financial Regulations and Health Board Standing Financial Instructions as appropriate.
- 4.2 The Chief Officer, supported by the Chief Financial Officer, must ensure that there are adequate systems and controls in place for the proper management of the IJB's financial affairs.
- 4.3 As these Financial Regulations relate specifically to the affairs of the IJB itself, they are therefore more limited and focussed in scope.
- 4.4 Financial Regulations were approved by the Audit Committee at its January 2017 meeting.

5.0 FINANCIAL REGULATIONS

- 5.1 The attached Financial Regulations set out the responsibilities of Board Members, the Chief Officer, and the Chief Finance Officer within the context of the IJB's financial management framework.
- 5.2 These Financial Regulations provide a sound basis for financial control within the IJB to ensure financial stewardship is effectively applied across IJB resources.
- 5.3 Subsequent updates to these regulations will be brought for approval, this Committee, as required.
- 5.4 Main changes since the previously agreed version:
- References to a three year strategic plan have been updated to reflect the new five year plan
 - Additional narrative has been added to clarify the process for medium term financial planning
 - Paragraph 3.6 and Appendix A have been added to incorporate the Budget Setting and Financial Planning protocol developed in 2018/19.

6.0 DIRECTIONS

6.1	Direction Required to Council, Health Board or Both	Direction to:	
		1. No Direction Required	X
		2. Inverclyde Council	
		3. NHS Greater Glasgow & Clyde (GG&C)	
		4. Inverclyde Council and NHS GG&C	

7.0 IMPLICATIONS

7.1 FINANCE

There are no financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

N/A					
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Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A					

LEGAL

7.2 There are no specific legal implications arising from this report.

HUMAN RESOURCES

7.3 There are no specific human resources implications arising from this report.

EQUALITIES

7.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

✓

YES (see attached appendix)

NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

7.5 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

Equalities Outcome	Implications
People, including individuals from the above protected characteristic groups, can access HSCP services.	None
Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.	None
People with protected characteristics feel safe within their communities.	None
People with protected characteristics feel included in the planning and developing of services.	None
HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.	None
Opportunities to support Learning Disability service users experiencing gender based violence are maximised.	None
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

7.6 CLINICAL OR CARE GOVERNANCE IMPLICATIONS

There are no governance issues within this report.

7.7 NATIONAL WELLBEING OUTCOMES

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	None
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	None
People who use health and social care services have positive experiences of those services, and have their dignity respected.	None
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	None
Health and social care services contribute to reducing health inequalities.	None
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	None
People using health and social care services are safe from harm.	None
People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	Robust financial regulations help ensure appropriate and effective use and governance of resources

8.0 CONSULTATION

- 8.1 This report has been prepared by the IJB Chief Financial Officer. The Chief Officer, the Council's Chief Financial Officer and Director of Finance NHSGGC have been consulted.

9.0 BACKGROUND PAPERS

- 9.1 None.



Inverclyde Health and Social Care Partnership Integration Joint Board Financial Regulations

Version	Inverclyde Integration Joint Board Financial Regulations 2019
Owner	Lesley Aird Chief Finance Officer
Approved by	Integration Joint Board Audit Committee
Date Approved	xx/xx/xxxx
Date for Review	30/06/2022
Replaces Previous Version	Inverclyde Integration Joint Board Financial Regulations 2016

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Inverclyde Integration Joint Board positively promotes the principles of sound corporate governance within all areas of the Integration Joint Board's affairs. These Financial Regulations are an essential component of the corporate governance of the Inverclyde Integration Joint Board.

1. What the Regulations Cover

- 1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of health and social care in Scotland. Inverclyde Health and Social Care Partnership is governed by the Inverclyde **Integration Joint Board** which was established by Parliamentary Order on 27 June 2015 following approval of the Inverclyde Integration Scheme by the Scottish Ministers. Inverclyde Council and (the Health Board) have delegated functions and resources to the Integration Joint Board. The Integration Joint Board will direct the Council and the Health Board on how resources will be spent in line with the approved Strategic plan, and allocate resources back to the Council and Health Board in accordance with this direction. The Integration Joint Board retains responsibility for oversight and management of expenditure within the allocated budgets.
- 1.2 Both the Health Board and the Council operate under Financial Regulations/Standing Financial Instructions in the operational delivery of services. As this service delivery will continue to be carried out within the Health Board and the Council, these Financial Regulations relate specifically to the affairs of the Integration Joint Board itself and therefore are more limited and focussed in scope. All operational and transactional finance matters for delivery of Inverclyde Health and Social Care Partnership will comply with Inverclyde Council Financial Regulations and Health Board Standing Financial Instructions.
- 1.3 The Integration Joint Board is a legal entity in its own right created by Parliamentary Order, following ministerial approval of the Integration Scheme. It is accountable for the stewardship of public funds and is expected to operate under public sector best practice governance arrangements, proportionate to its transactions and responsibilities. Stewardship is a major function of management and, therefore, a responsibility placed upon the appointed members and officers of the Integration Joint Board.
- 1.4 These Financial Regulations should be read in conjunction with the Standing Financial Instructions of the Health Board and the Financial Regulations of Inverclyde Council.
- 1.5 The Chief Officer, supported by the Chief Finance Officer must ensure that there are adequate systems and controls in place for the proper management of the Integration Joint Board's financial affairs. These Financial Regulations of the Inverclyde Integration Joint Board are for its own financial affairs.
- 1.6 These Regulations set out the respective responsibilities of the Integration Joint Board, the Chief Officer and the Chief Finance Officer of the Integration Joint Board.

- 1.7 It will be the duty of the Chief Officer assisted by the Chief Finance Officer to ensure that these Regulations are made known to the appropriate persons within the Integration Joint Board and to ensure that they are adhered to. All actions which affect the Integration Joint Board's finances should only be carried out by properly authorised employees. The Chief Officer and other authorised persons will ensure that all expenditure within the Integration budget meets proper accounting standards.
- 1.8 The Integration Joint Board will give directions to Inverclyde Council and the Health Board that are designed to ensure resources are spent in accordance with the Strategic Plan and Integration Scheme.
- 1.9 If it is believed that anyone has broken, or may break, these Regulations, this must be reported immediately to the Chief Finance Officer, who may then discuss the matter with the Chief Officer to determine what action is to be taken.
- 1.10 These Regulations will be the subject of regular review by the Integration Joint Board Chief Finance Officer in consultation with the Health Board Director of Finance and the Inverclyde Council Section 95 Officer, and where necessary, subsequent adjustments will be submitted to the Integration Joint Board Audit Committee for approval.

2. Corporate Governance

- 2.1 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout the Integration Joint Board. The basic principles of corporate governance are as follows.

Openness Anyone with an interest in the affairs of the Integration Joint Board should have confidence in the decision-making and management processes and the individuals involved in them. This confidence is gained through openness in its affairs and by providing full, accurate and clear information which leads to effective and timely action and scrutiny.

Integrity There should be honesty, selflessness, objectivity and high standards of conduct in how the Integration Joint Board's funds and affairs are managed. Integrity depends on the effectiveness of the control framework and on the personal standards and professionalism of members and officers involved in the running of its affairs.

Accountability There needs to be a clear understanding by everyone involved in the

Integration Joint Board's affairs of their roles and responsibilities. There should also be a process which provides appropriate independent examination of the decisions and actions of those involved in the Integration Joint Board's affairs, including how the Integration Joint Board's funds and performance are managed.

- 2.2 These Financial Regulations are an essential part of the corporate governance of the Integration Joint Board.
- 2.3 Members of the Integration Joint Board are required to follow any formally agreed national codes of conduct.

3. Responsibilities under these Financial Regulations

- 3.1 The Integration Joint Board will continuously work to secure best value for money, and economy, efficiency and effectiveness in how the organisation directs its resources.
- 3.2 The Chief Finance Officer (in consultation with the Chief Officer) will advise the Integration Joint Board on the financial implications of the Integration Joint Board's activities. The Chief Finance Officer will ensure that budget holders receive impartial advice, guidance and support and appropriate information to enable them to effect control over expenditure and income.

Strategic Plan and Integrated Budget

- 3.3 The Integration Joint Board's Strategic Plan sets out arrangements for planning and directing the functions delegated to it by Inverclyde Council and the Health Board. The Strategic Plan covers a rolling ~~three~~five-year period and will determine the budgets allocated to each operational partner for operational service delivery in line with the Strategic Plan, recognising that these may need to be indicative for years two ~~and three~~to five.
- 3.4 The Chief Officer and the Chief Finance Officer will develop an integrated budget based on the Strategic Plan and agreed funding from Inverclyde Council and the Health Board for consideration and agreement as part of the annual budget setting process and financial plan linked to the overall Strategic Plan.
- 3.5 The Integration Scheme sets out the detail of the integration arrangement agreed between the Health Board and Inverclyde Council. In relation to financial management it specifies:
 - The financial management arrangements including treatment of budget variances;

- Reporting arrangements between the Integration Joint Board, the Health Board and Inverclyde Council;
- The method for determining the resources to be made available by the Health Board and Inverclyde Council;
- The functions which are delegated to the Integration Joint Board by the Health Board and Inverclyde Council.

3.6 3.6 Budget Setting and Financial Planning Protocol

A budget setting and financial planning protocol for the Integration Joint Board is enclosed at Appendix A. This outlines the step by step process in place to develop and agree budgets and financial plans for the Integration Joint Board.

3.7 Budget Management

Budget holders within the Council and the Health Board will be accountable for all budgets within their control as directed by the Integration Joint Board in line with its Strategic Plan. The Integration Joint Board will ensure appropriate arrangements are in place to support good financial management and planning.

- 3.8 Inverclyde Council's Section 95 Officer and the Health Board's Director of Finance will provide the Chief Finance Officer with management accounts and forecasts to allow the Integration Joint Board to monitor the overall financial performance of the Integration Joint Board's functions in relation to the approved Revenue Budgets.

- 3.9 The Chief Finance Officer will provide regular budget monitoring reports to the Integration Joint Board along with explanations for any significant variations from budget and the action planned to deal with them.

4. The Framework for Financial Administration

- 4.1 The Financial Regulations set out the responsibilities of Board Members, the Chief Officer and the Chief Finance Officer within the context of the Integration Joint Board's financial management framework.

5. Financial Planning and Reporting

Preparing Procedures, Records and Accounts

- 5.1 The Chief Finance Officer will prepare the Annual Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (The CODE), reporting the Integration Joint Board's financial performance for the year to 31 March to the Integration Joint Board. The approved Accounts must also be forwarded to the Controller

of Audit no later than the 30th June of the same year, or such date as decided by the Controller of Audit.

- 5.2 The accounts of the Integration Joint Board will be hosted by Inverclyde Council.
- 5.3 The Chief Finance Officer must provide any information necessary for the closure of the Accounts and within prescribed timescales. Details of the information required and procedures to be followed will be issued annually by the Chief Finance Officer. The format of the Accounts and the relevant notes to the Accounts of the Health Board and the Council will be in line with national CIPFA and / or LASSAAC guidance.

Presenting External Audit Reports

- 5.4 The Chief Finance Officer will ensure the presentation of all External Audit reports including reports on the audited Annual Accounts to the Integration Joint Board and make such reports available to the Health Board and Inverclyde Council.
- 5.5 In consultation with Inverclyde Council, which hosts the annual accounts, the Chief Finance Officer will make appropriate arrangements for the public inspection of the Integration Joint Board's Accounts.

Capital Planning

- 5.6 The Chief Officer annually, in consultation with Inverclyde Council and the Health Board, will prepare a Capital Plan to make best use of existing resources and identify the asset requirements to support the Strategic Plan.
- 5.7 The Capital Plan will be submitted to the Integration Joint Board for approval.
- 5.8 Business Cases will be prepared by the Chief Officer and Chief Finance Officer and submitted to Inverclyde Council's Capital Planning Group or the Health Board's Capital Planning Group for approval.
- 5.9 The Chief Officer will be a member of both partners' Capital Planning Groups.
- 5.10 Where new capital investment is required to deliver the Strategic Plan both partners should consider the Business Plan.

Control of Capital Expenditure

- 5.11 The Integration Joint Board does not receive a capital funding allocation. Capital projects

are funded by either Inverclyde Council or the Health Board and expenditure will be controlled in accordance with their financial regulations.

5.12 The Integration Joint Board will receive financial monitoring reports which include information on capital expenditure from both partners against approved schemes relevant to the services delegated to the Integration Joint Board.

5.13 In matters relating to capital planning and expenditure, the Capital Planning Guidance developed for the partnerships in Greater Glasgow & Clyde should be followed.

5.14 **Strategic Plan and Integrated Budget**

The Integration Joint Board is responsible for the production of a Strategic Plan which sets out the services for their population over the medium term (53 years). The resources within scope of the Strategic Plan are:

- The payment made to the Integration Joint Board by Inverclyde Council for delegated social care services;
- The payment from the Health Board to the Integration Joint Board for delegated primary and community healthcare services and for those delegated hospital services managed by the Chief Officer.
- The amount set aside by the Health Board for delegated services provided in large hospitals for the population of the Integration Joint Board.

the Health Board and Inverclyde Council will provide indicative three-year rolling funding allocations to the Integration Joint Board to support the Strategic Plan and medium term financial planning process. Such indicative allocations will remain subject to annual approval by both organisations.

5.15 The Chief Officer and the Chief Finance Officer will develop an integrated budget and medium term financial plan based on the Strategic Plan and agreed funding from the Health Board and Inverclyde Council. The budget proposal paper and any medium term financial plan papers should be evidence based with full transparency on its assumptions and take account of:

- **Activity Changes.** The impact on resources in respect of increased demand e.g. demographic pressures and increased prevalence of long term conditions, and for other planned activity changes;
- **Cost Inflation.** Pay and supplies cost increases;
- **Efficiencies.** All savings (including increased income opportunities and service rationalisations/cessations) should be agreed between the Integration Joint Board, Inverclyde Council and the Health Board as part of the annual rolling financial

planning process to ensure transparency;

- **Performance on outcomes.** The potential impact of efficiencies on agreed outcomes must be clearly stated and open to challenge by Inverclyde Council and the Health Board;
- **Legal requirements.** Legislation may entail expenditure commitments that should be taken into account in adjusting the payment;
- **Transfers to/from the notional budget for hospital services** set out in the Strategic Plan;
- **Additional Funding for National Priorities and Adjustments to address equity.** Inverclyde Council and the Health Board may choose to adjust contributions to reflect increased funding received for National priorities or to smooth the variation in weighted capita resource allocations across partnerships.

5.16 The Strategic Plan will determine the budgets allocated to each operational partner for operational service delivery in line with the Plan.

5.17 **Limits on Expenditure**

No expenditure will be incurred by the Integration Joint Board unless it has been included within the approved Integration budget and Strategic Plan except:

- I. Where additional funding has been approved by the Health Board and/or Inverclyde Council and the integrated budget/strategic plan has been updated appropriately;
- II. Where a supplementary budget has been approved by the Integration Joint Board;
- III. In emergency situations in terms of any scheme of delegation;
- IV. As provided in paragraphs 5.18 and 5.19 below (Virement).

5.18 **Virement**

Virement is defined by CIPFA as “the transfer of an underspend on one budget head to finance additional spending on another budget head in accordance with the Financial Regulations”. In effect virement is the transfer of budget from one main budget heading (employee costs, supplies and services etc.) to another, or a transfer of budget from one service to another. Where resources are transferred between the two operational arms of the Integrated Budget this will require in-year balancing adjustments to the allocations from the Integration Joint Board to Inverclyde Council and the Health Board i.e. a reduction in the allocation to the body with the underspend and a corresponding increase in the allocation to the body with the overspend.

5.19 Virements require approval and they will be permitted subject to any Scheme of Delegation of the Integration Joint Board as follows:

- I. Virement must not create additional overall budget liability. One off savings or additional income should not be used to support recurring expenditure or to create future commitments including full year effects of decisions made part way through a year.
- II. The Chief Officer will not be permitted to vire between the Integrated Budget and those budgets that are managed by the Chief Officer, but are outwith the scope of the Strategic Plan, unless agreed by Inverclyde Council and the Health Board.
- III. Any virement over £20,000 which changes the specific budget values delegated back to the Health Board or Council requires the approval of the Integration Joint Board.

5.20 **Budgetary Control**

It is the responsibility of the Chief Officer and Chief Finance Officer to report regularly and timeously on all budgetary control measures, comparing projected outturn with the approved financial plan, to the Integration Joint Board and other bodies as designated by the Health Board and Inverclyde Council.

- The Health Board Director of Finance and the Section 95 officer of Inverclyde Council will, along with the Integration Joint Board Chief Finance Officer put in place a system of budgetary control which will provide the Chief Officer with management accounting information for both arms of the operational budget and for the Integration Joint Board in aggregate.

5.21 It is the responsibility of the Integration Joint Board Chief Finance Officer, in consultation with the Health Board and the Section 95 Officer of Inverclyde Council, to agree a consistent basis and timetable for the preparation and reporting of management accounting information.

5.22 The Integration Scheme specifies how in year over/under spends will be treated. Where it appears that any heading of income or expenditure may vary significantly from the Financial Plan, it will be the duty of the Chief Officer and the Chief Finance Officer, in conjunction with the Health Board Director of Finance and the Section 95 Officer of the Council, to report in accordance with the appropriate method established for that purpose by the Integration Joint Board, the Health Board and Inverclyde Council, the details of the variance and any remedial action required.

5.23 **Reports to Integration Joint Board**

All reports to the Integration Joint Board and sub-committees thereof must specifically identify the extent of any financial implications. These must have been discussed and agreed with the Integration Joint Board Chief Finance Officer prior to lodging of reports.

6. Legality of Expenditure

- 6.1 It will be the duty of the Chief Officer to ensure that no expenditure is incurred, or included within the Strategic Financial Plan unless it is within the power of the Integration Joint Board. In cases of doubt the Chief Officer should consult the respective legal advisers of the Health Board and Inverclyde Council before incurring expenditure. The legality of expenditure on new service developments, initial contributions to other organisations and responses to emergency situations which require expenditure must be clarified prior to being incurred.

7. Reviewing the Financial Regulations

- 7.1 The Integration Joint Board Audit Committee will consider and approve any alterations to these Financial Regulations. The Integration Joint Board may also withdraw these Financial Regulations. If so, this will come into force from the first working day after the end of the Integration Joint Board Audit Committee meeting at which the change or withdrawal was approved. This policy will be formally reviewed through the Audit Committee at least every three years.

8. Reserves

- 8.1 Section 106 of the Local Government (Scotland) Act 1973 as amended, empowers the Integration Joint Board to hold reserves which should be accounted for in the financial accounts and records of the Integration Joint Board. The Integration Joint Board Reserves Policy and Strategy outlines the level of reserves required and their purpose. This will be agreed as part of the annual budget setting process and will be reflected in the Strategic Plan agreed by the Integration Joint Board.

9. VAT

- 9.1 HMRC has confirmed that there is no requirement to have a separate VAT registration for the Integration Joint Board as it will not be delivering any services within the scope of VAT. This situation should be kept under review by the Chief Finance Officer should the operational activities of the Integration Joint Board change and a need to register be

established. HMRC guidance will apply to Scotland.

10. Financial Reporting

10.1 Accounting Procedures and Records

All accounting procedures and records of the Integration Joint Board will be as specified in applicable legislation and regulations. Financial Statements will be prepared following the Code of Practice on Local Authority Accounting in the UK. Statements will be signed as specified in regulations made under Section 105 of the Local Government (Scotland) Act 1973.

10.2 The financial statements must be completed to meet the audit and publication timetable specified in regulations made under section 105 of the Local Government (Scotland) Act 1973. It is the primary responsibility of the Chief Finance Officer to meet these targets and of the Chief Officer to provide any relevant information to ensure that the Health Board and Inverclyde Council meet their respective statutory audit and publication requirements for their individual and group financial statements.

10.3 The Integration Joint Board Chief Finance Officer will agree the financial statements timetable with the external auditors of the Integration Joint Board.

11. Internal Audit

11.1 Responsibility for Internal Audit

It is the responsibility of the Integration Joint Board to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. This will include determining who will provide the internal audit service for the Integration Joint Board and nominating a Chief Internal Auditor.

11.2 The operational delivery of internal audit services within the Health Board and Inverclyde Council will be covered by their respective internal audit arrangements as at present.

11.3 A Chief Internal Auditor will be appointed to act as the Integration Joint Board Chief Internal Auditor in addition to their role as Chief Internal Auditor of their respective authority.

11.4 The Internal Audit Service will undertake their work in compliance with the Public Sector

Internal Audit Standards.

- 11.5 On or before the start of each financial year the Integration Joint Board Chief Internal Auditor will consult with the Chief Officer and Chief Finance Officer in the preparation of a strategic and risk based audit plan, which the Chief Internal Auditor will then submit to the Integration Joint Board Audit Committee for approval. The internal audit plan will consider:
- The Strategic Plan and planning process;
 - The financial plan underpinning the Strategic Plan; and
 - Relevant issues raised from the partner Health Board and Local Authority.
- It is recommended that the internal audit plan is shared with the relevant committees of the Health Board and Inverclyde Council.
- 11.6 The Integration Joint Board Chief Internal Auditor will report to the Integration Joint Board on the annual audit plan, delivery of the plan and recommendations and will provide an annual internal audit report including the audit opinion.
- 11.7 The Integration Joint Board annual internal audit report will be shared with the Audit Committees of NHS Greater Glasgow & Clyde and Inverclyde Council.
- 11.8 Internal audit reports carried out as part of the Integration Joint Board internal audit plan will be submitted to the Chief Officer and the Integration Joint Board Audit Committee for scrutiny.
- 11.9 Relevant internal audit activity carried out by partners will also be submitted to the Integration Joint Board Audit Committee for information and note. This activity will be agreed with partner auditors, the Chief Officer and / or Chief Executives of NHS Greater Glasgow & Clyde and Inverclyde Council.

12. External Audit

- 12.1 The Accounts Commission will appoint the Auditors to the Integration Joint Board.
- 12.2 The Integration Joint Board should make appropriate and proportionate arrangements for consideration of external audit reports including those relating to the annual financial statements to ensure that they are compliant with relevant statutory provisions and Accounting Codes of Practice.
- 12.3 Reports on external audit activity will be submitted to the Chief Officer and the Integration

Joint Board Audit Committee for scrutiny.

13 Audit Committee

- 13.1 The Integration Joint Board will put in place an Audit Committee to ensure that an effective assurance process is in place that assesses the objectives, risks and performance of the Partnership. This will include consideration of any reports from auditors.
- 13.2 It will be the responsibility of the Integration Joint Board to agree the membership having regard to the agreed remit, skills and good practice for a the Audit Committee. It is anticipated that members of the Integration Joint Board will serve in this capacity.

14. Risk Management and Insurance

14.1 Responsibility for Insurance and Risk

The Integration Joint Board, while having legal personality in its own right, has neither replaced nor assumed the rights or responsibilities of either the Health Board of the Council as the employers of the staff delivering integrated services; or for the operation of buildings or services under the operational remit of those staff. The Council and the Health Board will continue to indemnify, insure and accept responsibility for the staff that they each employ; their particular capital assets that integrated services are delivered from or with; and the respective functions themselves that each has delegated to the Integration Joint Board.

- 14.2 The Integration Joint Board will make appropriate insurance arrangements for all activities of the Integration Joint Board in accordance with the risk management strategy.
- 14.3 The Chief Officer will arrange, taking such specialist advice as may be necessary, that adequate insurance cover is obtained for all normal insurable risks arising from the activities of the Integration Joint Board for which it is the general custom to insure. This will include the provision of appropriate insurance in respect of members of the Integration Joint Board acting in a decision making capacity.
- 14.4 The Health Board's Director of Finance and the Section 95 Officer of Inverclyde Council will ensure that the Chief Officer has access to professional support and advice in respect

of risk management.

14.5 Risk Strategy and Risk Register

The Chief Officer is responsible for establishing the Integration Joint Board risk strategy and profile and developing the risk reporting arrangements; this will include arrangements for a risk register. The Risk Management strategy will be approved by the Integration Joint Board Audit Committee.

- 14.6 The Health Board and Inverclyde Council will continue to identify and manage within their own risk management arrangements any risks they have retained under the integration arrangements. The partners will continue to report risk management to their existing committees including the impact of the integration arrangements.

14.7 Notification of Insurance Claims

The Chief Officer and the Chief Finance Officer will put in place appropriate procedures for the notification and handling of any insurance claims made against the Integration Joint Board.

15. Board Members' Expenses

- 15.1 Payment of voting Integration Joint Board Members' allowances will be the responsibility of the Members' individual Council or Health Board, and will be made in accordance with their own Schemes.
- 15.2 Non-voting members of the Integration Joint Board will be entitled to payment of travel expenses. Non-voting members are required to submit claims on the Integration Joint Board's agreed expenses claim form and as far as practicable to provide receipts in support of any expenses claimed. The costs relating to expenses incurred by the non-voting members of the Integration Joint Board will be shared equally by the Health Board and the Council.
- 15.2 The Chief Finance Officer will ensure that a record of all expenses paid under the Scheme, detailing name, amount and nature of payment.

16. Economy, Efficiency and Effectiveness (Best Value)

- 16.1 The Chief Officer will ensure that arrangements are in place to maintain control and clear public accountability over the public funds delegated to the Integration Joint Board. This will apply in respect of:
- the resources delegated to the Integration Joint Board by the Health Board and Inverclyde Council; and
 - the resources paid to the Health Board and Inverclyde Council by the Integration Joint Board for use as directed and set out in the Strategic Plan.
- 16.2 The Integration Joint Board has a duty to put in place proper arrangements for securing Best Value in the use of resources and delivery of services. There will be a process of strategic planning which will have full board member involvement, in order to establish the systematic identification of priorities and realisation of Best Value in the delivery of services.
- 16.3 It will be the responsibility of the Chief Officer to deliver the arrangements put in place to secure Best Value and to co-ordinate policy in regard to ensuring that the Integration Joint Board provides Best Value.
- 16.4 The Chief Officer will be responsible for ensuring implementation of the strategic planning process. Best Value should cover the areas of human resource and physical resource management, commissioning of services, financial management and policy, performance and service delivery process reviews.
-

INVERCLYDE HSCP BUDGET SETTING AND FINANCIAL PLANNING PROTOCOL

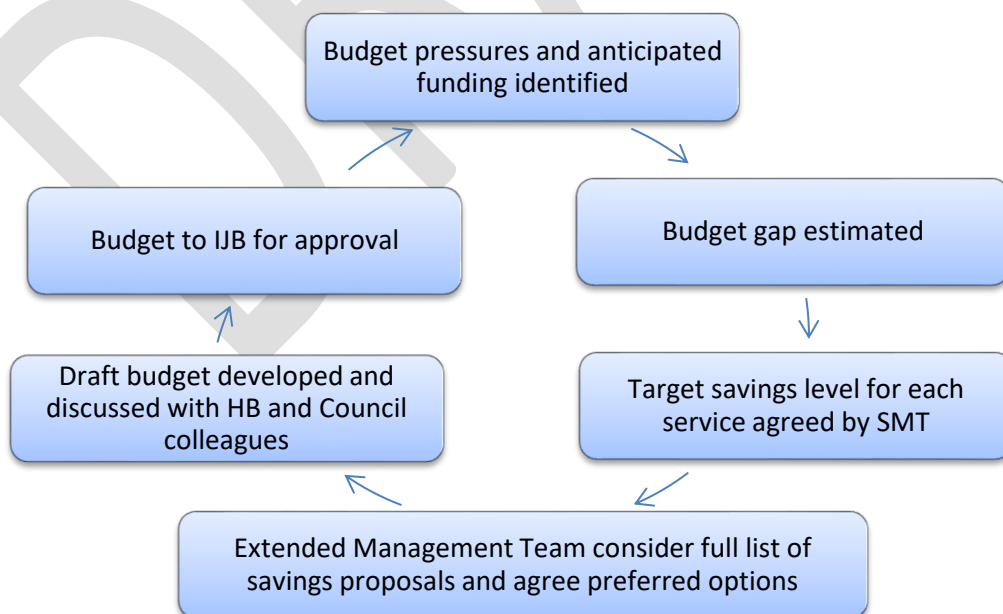
Introduction

The HSCP is funded by Inverclyde Council and NHS GG&C. Both parties have different budget setting timelines and protocols. The purpose of this paper is to outline a protocol for the HSCP which attempts to work effectively within both of these arrangements, meeting the needs of each funding partner in terms of their time lines while ensuring that the HSCP budget, its medium term financial plans and any investment or savings proposals are considered corporately with a clear overview of the impacts on the whole HSCP and other partners.

Developing savings proposals

Feedback in previous savings trawls has been that purely pro-rated savings were unhelpful and not conducive to improved working practices. It's preferable that the final proposals will be based on what is best for the partnership overall rather than a straight split of the savings target. In order to accomplish this the HSCP will always set an initial target higher than the anticipated gap and each service will put forward proposals for their share of that target.

The SMT and Extended Management Group will then jointly consider the full list of proposals developed across each service on the pro rata basis and agree which ones to put forward to the IJB for approval and implementation. The final decision on which proposals are further developed will lie with the SMT and Chief Officer.



HSCP Budget Setting Action List

Action	Responsibility	Timing
AGREEING BUDGET PRESSURES		
Identify potential budget pressures and notify to HOS	Budget holders with their Finance advisors	Ongoing exercise throughout the year
HOS review of potential budget pressures	HOS to review pressures and agree final values with their budget holders	Ongoing exercise throughout the year
SMT review of proposed pressures	Finance to collate for SMT to discuss agree	Initial review by Sept for the following year but reviewed again throughout the budget setting process
IDENTIFYING AND AGREEING SAVINGS PROPOSALS		
CFO to work with Council and Health Finance colleagues to agree underlying assumptions and calculate initial anticipated budget gap for SMT consideration	CFO – paper to SMT	Aug/Sept each year
SMT to consider anticipated gap and agree % targets for each service area	SMT – agree targets and budget setting timeline	Sept/Oct
Service Managers and HOS work up a set of proposals for their area to meet their SMT agreed target	Service Managers & Heads of Service submit proposals to CFO	Oct-Nov
All Managers and HOS welcome to additionally put forward ideas for cross cutting proposals which relate to other services	Extended Mgmt Team submit proposals to CFO	Oct-Nov
CFO collate proposals received for SMT consideration	CFO	As per SMT agreed timeline

Action	Responsibility	Timing
SMT consideration of initial set of proposals	SMT	As per SMT agreed timeline
Extended Management Group consideration of proposals	Extended Management Group	As per SMT agreed timeline
Seek feedback from funding partners on proposals	CO/CFO	As per SMT agreed timeline
IJB Development session to further explore savings proposals	CFO/CO/HOS	As per SMT agreed timeline
SETTING THE BUDGET		
Indicative funding allocations agreed with funding partners	CO/CFO with NHS & Council Finance Colleagues and Chief Execs	As per SMT agreed timeline
Budget proposals including assumptions around budget pressures, funding and savings proposals discussed with funding partners	CO/CFO with NHS & Council Finance Colleagues and Chief Execs	As per SMT agreed timeline
Draft Budget for IJB to approve with full list of agreed savings proposals	CFO/IJB	By 31 March

Medium Term Financial Planning

Medium Term Financial Plans for the IJB will be developed by the Chief Financial Officer following consultation with the Director of Finance for the Health Board, Council's Section 95 officer, IJB Chief Officer. The plan will be based on the current Strategic Plan and budget assumptions for the next financial year together with longer term budget assumption.

Information will be taken from consultations with funding partners, advice and guidance from Scottish Government and information gathered from all relevant professional networks and advisory groups as appropriate.

A range of scenarios will be considered as part of the planning process, best case, worst case and probable outcome. Costings will be included in the plan from the probable outcome scenarios. The medium term plan will be reviewed annually as part of the annual budget review and setting process. Full updates will be tied into the Strategic Plan review timelines.

Report To:	Inverclyde Integration Joint Board Audit Committee	Date: 11 September 2018
Report By:	Louise Long Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No: IJBA/04/2019/HW
Contact Officer:	Helen Watson	Contact No: 01475 715285
Subject:	IJB RISK REGISTER	

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Audit Committee approval of the new IJB Risk Register developed at its February development session.

2.0 SUMMARY

- 2.1 The IJB Risk Register will be fully reviewed at least twice a year by the Inverclyde HSCP Senior Management Team with any recommended changes taken to this committee for approval.
- 2.2 The process for reporting risks across the HSCP and IJB has been summarised to highlight what is reported to the IJB and when.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
1. Reviews the content of this report;
 2. Agrees the new risk register based on the discussions of 20 February;
 3. Notes the reporting process;
 4. Note any High/Red Risks contained on other HSCP Operational Risk Registers;
 5. Agrees the proposed IJB strategic risk register, and
 6. Agrees that going forward, the Audit Committee will review the IJB Strategic Risk Register annually with a six monthly update to the Committee reflecting all Red/Very High Risks.

Louise Long, Chief Officer

4.0 BACKGROUND

- 4.1 The Integration Joint Board (IJB) strategic risk register covers the risks specific to the IJB and its operations. In addition, the Health and Social Care Partnership (HSCP) has an operational register for Social Care and Health Service operations and a Project Risk Register for the new Greenock Health Centre Capital Project.
- 4.2 On 20 February the IJB undertook a full review and update of the current IJB risk register facilitated by CIPFA. This report provides the outcome of that session for the Committee to formally approve and adopt the new risk register on behalf of the IJB.
- 4.3 The IJB risk register will be formally reviewed by the Inverclyde HSCP Senior Management Team at least twice a year. The IJB Risk Register and any changes will come to the IJB Audit Committee.

5.0 PROPOSED IJB RISK REGISTER

- 5.1 The IJB Risk Register was fully review and rescored by the IJB at a development session on 20 February facilitated by CIPFA. At this session the Board considered the risks relevant for the IJB, current controls and mitigations in place and agreed relevant risk scores for each. This paper contains the new Risk Register for formal Audit Committee approval. The new register is enclosed at Appendix A.
- 5.2 Members discussed Strategic Risks and scored the risk register as it was as at 20 February. Appendix A shows proposed changes to the narrative on these risks and an analysis of the average, maximum and minimum scores for each from the session. A proposed score based on these figures has been provided for each.
- 5.3 This paper also contains the new Risk Register with the updated narrative and scoring for formal Audit Committee consideration and approval. The new register is enclosed at Appendix B.
- 5.4 The reporting mechanism for risk management within the IJB is enclosed at Appendix C.

6.0 SIGNIFICANT RISKS ON OTHER HEALTH AND SOCIAL CARE RISK REGISTERS

- 6.1 The HSCP Operational Risk Register and Greenock Health Centre Capital Project Risk Register have their own reporting lines.
- 6.2 All Very High or Red Rated risks on either the HSCP Operational Risk Register or the Project Risk Register for the New Greenock Health Centre are also reported to the IJB Audit Committee for noting.
- 6.3 HSCP Operational Risk Register – Very High/Red Risks
The SMT reviews the current register on a monthly basis. As at February there was one no risk currently classified as Very High/Red:
 - Risk 3 Medical Workforce: Score 16: risk of failing to maintain medical capacity and clinical leadership. Actions to mitigate risk include employment of locums and working with Clinical staff to try to retain existing medics and trainees.
- 6.4 New Greenock Health Centre Capital Project Risk Register – Very High/Red Risks
At the January meeting of the Project Board there were no risks on the register ranked very high/red.

7.0 DIRECTIONS

7.1	Direction Required to Council, Health Board or Both	Direction to:	
		1. No Direction Required	X
		2. Inverclyde Council	
		3. NHS Greater Glasgow & Clyde (GG&C)	
		4. Inverclyde Council and NHS GG&C	

8.0 IMPLICATIONS

8.1 FINANCE

There are no direct financial implications within this report. Financial risks are identified in the Registers.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A					

LEGAL

8.2 There are no specific legal implications arising from this report.

HUMAN RESOURCES

8.3 There are no specific human resources implications arising from this report.

EQUALITIES

8.4 There are no equality issues within this report.

8.4.1 Has an Equality Impact Assessment been carried out?

✓

YES (see attached appendix)

NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

8.4.2 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

Equalities Outcome	Implications
People, including individuals from the above protected characteristic groups, can access HSCP services.	None
Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.	None
People with protected characteristics feel safe within their communities.	None
People with protected characteristics feel included in the planning and developing of services.	None
HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.	None
Opportunities to support Learning Disability service users experiencing gender based violence are maximised.	None
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

8.5 CLINICAL OR CARE GOVERNANCE IMPLICATIONS

There are no governance issues within this report.

8.6 NATIONAL WELLBEING OUTCOMES

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	None
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	None
People who use health and social care services have positive experiences of those services, and have their dignity respected.	None
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	None
Health and social care services contribute to reducing health inequalities.	None
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	None
People using health and social care services are safe from harm.	None

People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	None

9.0 CONSULTATION

- 9.1 This report has been prepared by the Head of Strategy & Support Services in consultation with other members of the Senior Management Team.

APPENDIX A

[illegible]

Risk Descriptors as at 20/02/2019		Proposed changes based on presentation and discussion on 20/02		IMPACT				LIKELIHOOD				TOTAL
Strategy				Ave	Max	Min	Proposed	Ave	Max	Min	Proposed	
6	Strategic Capacity - PREV DISCUSSED REMOVING THIS Risk due to constrained resources within partner organisations, loss of key people, or lack of commitment to IJB priorities Potential Consequences: partners do not engage or consult with IJB, short term pressures mean long term strategic thinking & planning is neglected, poorer health outcomes for the community, do not address long term entrenched health problems, or deliver the strategic plan	-	RISK REMOVED AS PER PRIOR DISCUSSION	1.0	4.0	0.0	n/a	1.2	3.0	0.0	n/a	
7	Locality Planning to Better Understand the Needs of the Community Risk of failure to effectively deliver locality planning Possible consequences: Poor quality decision making, don't address health inequalities or understand root causes of why they persist, lack of understanding about future needs & service demands, unable to allocate resources appropriately to deliver the strategic plan, high levels of disease, drug & alcohol misuse consume ever more resources.	6	Poor Understanding of needs of community Risk of poor targeting of resources Possible consequences: Poor quality decision making, don't address health inequalities or understand root causes of why they persist, lack of understanding about future needs & service demands, unable to allocate resources appropriately to deliver the strategic plan, high levels of disease, drug & alcohol misuse consume ever more resources.	3.1	5.0	0.0	3	2.4	4.0	0.0	2	6

PROPOSED NEW IJB RISK REGISTER

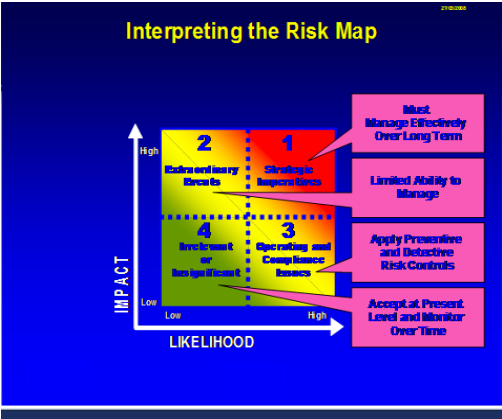
Organisation	Inverclyde Integration Joint Board
Date Last Reviewed by IJB/Audit Committee	Created by IJB 20/02/2019
Date Last Reviewed by Officers	20/02/2019

Risk No	*Description of RISK Concern (x,y,z)	Current Controls	IMPACT	LIKELIHOOD	Risk Score	Additional Controls/Mitigating Actions & Time Frames with End Dates	Who is Responsible? (name or title)
Governance							
1	Effective Governance Governance arrangements are ineffective in developing and delivering strategic objectives Potential Consequences: Poor decision making, lack of critical skills lead to 'blind spots' or unanticipated risks, partners disengage from the IJB, dysfunctional behaviours, fail to deliver the strategic plan.	1. IJB themed development sessions carried out throughout the year to update members on key issues 2. Code of Conduct for members 3. Standards Officer appointed 4. Chief Officer is a member of both Partner CMT's & has the opportunity to influence any further governance mechanism changes 5. Regularly planning/liaison meetings between Chief Officer and Chair/Vice Chair 6. Internal and External Audit reviews of governance arrangements 7. IJB Self Assessment 8. Clinical and Care Governance arrangements and staffing	4	3	12	IJB members development/induction programme being developed.	Chief Officer
2	Breakdown in relationships between Strategic Partners During Transformational Change Risk due to strategic partnership breakdown caused by different priorities & pressures resulting from transformational change agenda leading to loss of trust or effective communication. Potential Consequences: relationship breakdown, dysfunctional working relationships, cannot affect or influence change or priorities, resources skewed towards acute care away from preventative, unable to deliver strategic plan.	1. HSCP/Acute joint working groups - regular interface meetings looking at risks, lessons learned, joint problem solving 2. Chief Officer on Health Board CMT along with Acute Colleagues 3. Developing commissioning plans in partnership with Acute colleagues 4. Market Facilitation Statement 5. Early referral system and clear planning in place for each service user/patient	3	3	9	Development of Market Facilitation Plan which will include Acute Sector Provision. Monitoring impact of the transformational plan and unscheduled care changes supporting delayed discharge and bed day reduction and their impact on the relationships with Actue	Head of Strategy & Support Services Head of Adult and Community Care
Resources & Performance							
3a	Financial Sustainability / Cost Pressures Financial sustainability around unfunded/unanticipated/unplanned demand for services. Potential Consequences: IJB unable to deliver Strategic Plan objectives, reputational damage, dispute with Partners, needs not met, risk of overspend on Integrated Budget	<u>Resources/Finance</u> 1. Strategic Plan 2. Due Diligence work 3. Close working with Council & Health when preparing budget plans 4. Regular budget monitoring reporting to the IJB 5. Regular budget reports and meetings with budget holders 6. Regular Heads of Service Finance meetings 7. Close working with other local Authority and GG&C Finance colleagues and HSCP CFOs to deliver a whole system approach to financial planning and delivery 8. Medium Term Finance Plan	4	3	12	Longer Term Financial Plan to be Developed in partnership with Health Board and Local Authority colleagues linked to new Strategic Plan by December 2019	Chief Financial Officer

Risk No	*Description of RISK Concern (x,y,z)	Current Controls	IMPACT Rating	LHOOD Rating	Risk Score	Additional Controls/Mitigating Actions & Time Frames with End Dates	Who is Responsible? (name or title)
3b	Financial Sustainability / Funding Partners unable or unwilling to allocate resources Potential Consequences: IJB unable to deliver Strategic Plan objectives, reputational damage, dispute with Partners, needs not met, risk of overspend on Integrated Budget	<u>Resources/Finance</u> 1. Strategic Plan 2. Due Diligence work 3. Close working with Council & Health when preparing budget plans 4. Regular budget monitoring reporting to the IJB 5. Regular budget reports and meetings with budget holders 6. Regular Heads of Service Finance meetings 7. Close working with other local authority and GG&C Finance colleagues and HSCP CFOs to deliver a whole system approach to financial planning and delivery 8. Medium Term Finance Plan	4	3	12	Longer Term Financial Plan to be Developed in partnership with Health Board and Local Authority colleagues linked to new Strategic Plan by December 2019	Chief Financial Officer
4	Workforce Sustainability and Implementation of People Plan People Plan Strategy and/or staff deployment poor affecting HSCP capacity to deliver the IJBs objectives Potential Consequences: Don't attract or retain the right people, don't have an engaged & resilient workforce, service user needs not met, strategic plan not delivered, & reputational damage.	<u>Resources/Workforce</u> 1. People Plan and quarterly progress reporting 2. Performance Monitoring and appraisals through (EKSF, TURAs monitoring systems) 3. Training budgets 4. Workforce Planning 5. Succession Planning for Local Authority Staff 6. Staff Governance Group & reports	3	3	9	Introduce Staff Governance reporting to the IJB to improve IJB oversight	Head of Strategy and Support Services
5	Performance Management Information Risk due to lack of quality, timeous performance information systems to inform strategic & operational planning & decision making. Potential Consequences: Misallocate resources to non-priority areas, lack of focus, decisions based on anecdotal thinking or biased perspectives, & community needs not met.	<u>Performance</u> 1. Performance management infrastructure and reporting cycle 2. Regular financial monitoring reports showing performance against budget and projected outturns 3. Locality planning arrangements 4. Robust budget planning processes 5. Quarterly Performance Reviews 6. Data repository regularly updated 7. Quality strategy and self evaluation processes 8. Regular review of Performa reporting frameworks	3	2	6	IJB members need to advise officers on what additional information is required - as required More data to be made available as a matter of course on the HSCP website	IJB Members Head of Strategy & Support Services
Strategy							
6	Poor Understanding of needs of community Risk of poor targeting of resources Possible consequences: Poor quality decision making, don't address health inequalities or understand root causes of why they persist, lack of understanding about future needs & service demands, unable to allocate resources appropriately to deliver the strategic plan, high levels of disease, drug & alcohol misuse consume ever more resources.	1. Community Engagement led by 3rd sector partners 2. Health Education Programmes 3. Locality planning to enhance local targeting of services 4. Strategic Planning Group 5. Equalities Outcomes as part of the Strategic Plan 6. Strategic Needs Assessment Work which is advanced at a community and care group level 7. The above informs work across care groups and partnership working	3	2	6	Develop a Community Engagement Strategy for the HSCP - aligned with the CPP - Underway and being informed by the review of the Strategic Plan- work now due to be complete by xxx	Head of Strategy and Support Services

- Requires active management.**
High impact/high likelihood: risk requires active management to manage down and maintain exposure at an acceptable level. Very High
- Contingency plans.**
A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from plan. High
- Good Housekeeping.**
May require some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain the same. Medium (5-9)
- Review periodically.**
Risks are unlikely to require mitigating actions but status should be reviewed frequently to ensure conditions have not changed. Low

Risk Impact					
	1	2	3	4	5
	Insignificant	Minor	Moderate	Major	Catastrophic
Financial	<£100k	£100k-£250k	£250k-£500k	£500k-£1,000k	£1,000k>
Reputation	Individual negative perception	Local negative perception	Intra industry or regional negative perception	National negative perception	Sustained national negative perception
Legal and Regulatory	Minor regulatory or contractual breach resulting in no compensation or loss	Breach of legislation or code resulting in a compensation award	Regulatory censure or action, significant contractual breach	Breach of regulation or legislation with severe costs/fine	Public fines and censure, regulatory veto on projects/ withdrawal of funding. Major adverse corporate litigation
Operational/ Continuity	An individual service or process failure	Minor problems in specific areas of service delivery	Impact on specific customer group or process	Widespread problems in business operations	Major service of process failure impacting majority or major customer groups
Likelihood					
	1	2	3	4	5
	Rare	Unlikely	Possible	Probable	Almost Certain
Definition	Not likely to happen in the next 3 years	Unlikely to happen in the next 3 years	Possible to occur in the next 3 years	Likely to occur in the next year	Very likely to occur in the next 6 months



Inverclyde Integration Joint Board (IJB)**Approach to Risk Management/Risk Registers****Introduction**

The IJB approved a Risk Strategy in August 2016. This Strategy outlined the IJB approach to risk management and detailed the IJB risk appetite. Following this the IJB developed a strategic risk register covering the risks associated with the IJB.

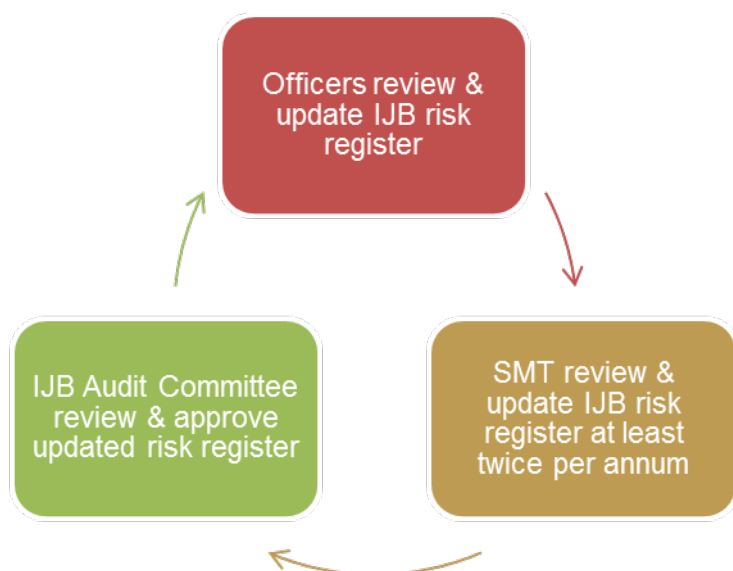
The operational delivery of IJB activity is carried out through the Health and Social Care Partnership (HSCP). Operational activity in relation to operational risk management is carried out in accordance with the governance and reporting requirements of Inverclyde Council for services delivered through Social Care and NHS Greater Glasgow & Clyde (GG&C) for Health Services.

The Inverclyde HSCP Operational Risk Register is an integrated one covering both Social Care and Health. It is overseen by HSCP Officers, reviewed at least twice per annum by the HSCP Senior Management Team (SMT) then the Clinical and Care Governance Group.

In addition there is an operational risk register in relation to the new Greenock Health Centre Capital Project which is overseen by the Project Board, Hubco and the Health Board's Capital Planning Group.

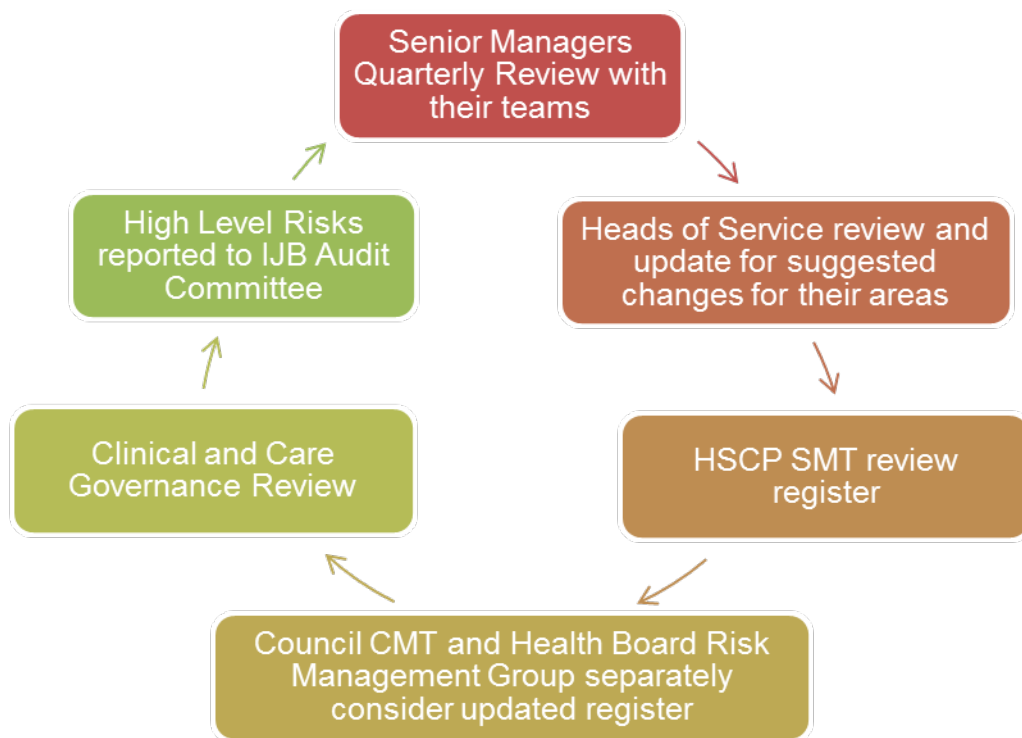
Review and Reporting Lines**IJB Strategic Risk Register**

This is reported to every IJB Audit Committee meeting and is formally reviewed at least twice a year by the HSCP SMT in line with the chart below:



HSCP Operational Risk Register

The following process is followed to review and update the HSCP risk register. Going forward all Risks categorised as Amber/High will be reported to the IJB Audit Committee along with the IJB Risk Register.



New Health Centre Capital Project Risk Register

The following process is followed to review and update the Health Centre Capital Project risk register. Going forward all Risks categorised as Amber/High will be reported to the IJB Audit Committee along with the IJB Risk Register.

