



CÙRAM IS SLÀINTE NAN EILEAN SIAR

INTEGRATION JOINT BOARD

AUDIT & RISK COMMITTEE

MINUTE OF MEETING
14 JUNE 2023
HELD AT 10:00AM
VIA MICROSOFT TEAMS

Voting Members Present:

Gillian McCannon	Non-Executive Director, NHS WI / IJB Vice-Chair (Committee Chair)
Jocelyn McConnachie	Non-Executive Director, NHS WI
Donald MacSween	Councillor, CnES
Annetta Smith	Non-Executive Director, NHS WI

Non-Voting Members Present:

Debbie Bozkurt	Chief Finance Officer, IJB
Nick Fayers	Chief Officer, IJB

In Attendance:

Martin Devenny	Auditor, Audit Scotland
Rachel Browne	Senior Auditor, Audit Scotland
Stephanie Hume	Senior Manager, Risk Assurance, Azets
Michelle McPhail	Corporate Business Manager, NHS WI

1. WELCOME

Gillian McCannon took the Chair and led the meeting, welcoming those present. It was noted that the meeting was not quorate as two Local Authority voting Members were not in attendance.

The Chair and members confirmed that the meeting would take place where items for discussion / assurance would be discussed. It was anticipated that Susan Thomson may be attending after 11am. The Chair confirmed that at that point in the meeting the items for decision could be discussed.

The Chair and Members noted their dissatisfaction at the lack of colleagues attendance resulting in the meeting not being quorate.

The meeting is being recorded for the sole purpose of the production of the minute.



2. APOLOGIES

Carolyn MacPhee	Third Sector Interface
Calum MacLean	Councillor, CnES / IJB Chair
Susan Thomson	Councillor, CnES

3. DECLARATIONS OF INTEREST

No declaration(s) of interest(s) were raised in relation to any of the agenda items to be discussed.

4. MINUTES

4.1.1 IJB Audit Committee Minute 08.02.23

4.1.2 IJB Audit Committee Minute 21.03.23

Due to the Committee not being quorate the decision was taken to forward the agreed draft minute to Members seeking their review and approval via email. The Minutes will then be presented in public at the IJB on the 29 June 2023 and homologating the actions taken at the meeting in September 2023.

Decision: Draft agreed minutes circulate via email to members seeking approval

Action: Circulate the minutes, once agreed place on the IJB agenda for 29.06.23.

4.2 Matters Arising

No issues were raised.

4.3 Action Points

09.02.22 – 5.1.2 Consultation, Participation and Engagement – Internal Audit Report ~ LPG minutes to be presented to the Audit Committee – Mr. Fayers advised that the LPGs require administration support and support from the appropriate lead, however this is still being addressed. There was discussion to subdivide the LPG known as Lewis, however this has not been confirmed.

To provide information, Mr. Fayers agreed to present at the next meeting the list of LPG, their named supports and a note of the dates when the meetings are scheduled to take place.

ACTION: Report advising of LPG names, support and dates **Nick Fayers**



24.11.22 – 6.7 Internal Audit Recommendations Status – Meeting with Gillian Woolman. Mr. Fayers met with Gillian Woolman in relation to obtaining strategic advice around risk, and are noted in item 6.2 and reflected in the development session. **COMPLETE / REMOVE**

08.02.23 – 7.2 Internal Audit Plan – agenda item for the next meeting. **COMPLETE / REMOVE**

08.02.23 – 8.1 & 8.2 Audit Tracker – Internal & External – Exceptional meeting arranged for 21.03.23 to discuss the information. **COMPLETE / REMOVE**

21.03.23 – 4.1.1 – Minute 08.02.23 – On the agenda for approval. **COMPLETE / REMOVE**

21.03.23 – 5.2 – Internal Audit Workforce Management Report – On the agenda. **COMPLETE / REMOVE**

21.03.23 – 7.3 IJB Committee Terms of Reference – on the full IJB agenda. **COMPLETE / REMOVE**

21.03.23 – 8.1 Performance Monitoring Report Feb'23 - The report is on the agenda for discussion. COMPLETE / REMOVE.

Mr. Fayers noted that Mag MacKin provided a presentation on information data at the recent development day on 25th of May 2023.

Mr. Fayers confirmed that he is arranging a meeting between himself and the Chair along with Martin Malcolm to discuss the information presentation.

Decision: The above updates were provided to Members

Action: The updates will be reflected in the revised Action Points.

5. AUDIT & FINANCIAL GOVERNANCE

5.1 Appointment of Azets Auditors

The Chief Finance Officer, Debbie Bozkurt advised that Azets, who have been reappointed to the role of Internal Audit for NHS Orkney, Shetland and Western Isles. As a result the Comhairle has asked the Chief Finance Officer to request that Azets are retained as the Internal Auditor of the IJB for the period of 23/24, which Azets have agreed.

The Chair acknowledge the good working relationship the IJB have with Azets and welcomed the extension of the contract.

Decision: The Committee formally noted the verbal update.

Action: No actions



5.2 Internal Audit

5.2.1 Workforce Management Report

Stephanie Hume, Internal Auditor presented the Azets report noting that the field work was completed in October 2022, incorporating 3 different control directives.

Directives: The IJB:

1. has clearly identified and communicated the information required from each partner body on the workforce including for example vacancies, absence rates, turnover and other relevant metrics;
2. is receiving regular assurance reporting to its governance structure that enables a holistic assessment to be made over the current state of both bodies' workforce and any issues relevant to the IJB;
3. is a clear escalation route between the IJB and the partner bodies if required information is not provided or the IJB is not content with action being taken to manage identifies workforce risks.

The audit identified 5 recommendations – 2 Amber Grade 3 and 3 Yellow noted as Grade 2.

Section 1.1 – Amber Grade 3 – Relates to the communication of the workforce report and its requirements. At the time of the audit there was no real sign found that the workforce evidence required by the IJB had been formally agreed or communicated to either partner bodies. The Auditors also spoke to staff to obtain their views and they confirmed that they had no knowledge of the requirements of the IJB.

The IJB Management Performance Report denotes 4 distinctive KPIs in relation to workforce, however there was no evidence that these KPIs were being reported on, and the Performance Management Report did not include any review date. The document may not fully reflect the needs of the IJB now, given the original date on the report was 2016.

It was noted that the level of detail provided by the partner bodies did vary, therefore the clarity around roles and responsibilities and clarity as to what is required would significantly help the IJB to move forward.

The next Grade 3 issue was noted at section 3.1 – Escalation. There is no formal escalation process for the IJB in relation to its requirements. Auditors met with staff from both partners bodies and neither were aware of any formal escalation process. People understood that they would raise any issue with the Chief Officer or the Chief Executive, however there is no formal documentation to identify the pathway for escalation.



It was noted that further escalation may actually have been required at the time of the Audit in relation to the staff survey, which had previously been discussed by the Committee. However it was unclear how this was escalated by the partner bodies.

Ms. Bozkurt reflected on the workforce reports she had provided historically, although this is not her responsibility. It was noted that the data provided by the NHS is in greater detail compared with the reporting of data from the Comhairle. It was suggested that the individual reports should be presented with a combined overarching document to support the required workforce detail within the delegated services, which fall under the IJB, advising of challenges or successes. A quarterly workforce update should be provided.

Nick Fayers, noted the governance arrangements and the risks identified within the audit, including reflecting on the quality of information available to the IJB. This does have an impact on the ability to scrutinise the information within one report, given the different qualitative data available to compare and interpret. The Chief Officer indicated that he would like to see both partner bodies H.R leads attend the IJB. Mr. Fayers will discuss this with colleagues and report back to the Committee.

The Chair thanked Stephanie Hume for the audit, which has confirmed the concerns noted by Members in relation to the reporting on HR issues. The Audit Committee have repeatedly requested workforce information for a considerable length of time. A level of reporting had been made previously, however this did not reflect the position across the whole partnership.

In reviewing the report the Chair enquired as to what a joint action log is, and if this was different from that of the Action Points. Ms. Hume confirmed that this was the Action Points and not a separate document, and she would update the report to make reference to the Action Points rather than log.

In relation to the management action noted within 1.1, there are clear governance issues and the reporting information. To ensure that any asks in relation to an audit recommendation is articulated within the Minute and then updated within the Recommendation Tracker.

The Grade 3 Management Response does not clearly state the individual specific issues, noting that of the Chief Officer's response. The other area of concern is what is achievable within the current systems, as the recommendation may never be closed off. In some instances the closing date denotes "to be confirmed", however there needs to be clear review of all the actions on the tracker with significant movement towards closure. The tracker will be reviewed at each meeting.



Debbie Bozkurt, noted her understanding of the systems within the NHS and has had sight of the HR system in the Comhairle, which can provide the basic information, given her previous review of HR data.

Ms. Bozkurt advised that the level of detail available within the NHS HR reports, greater detailed information across more than just the basic HR data. For example when noting the number of applicants applying for a single job or the type of applicants, this detail is drawn down from the JobTrain system. However within the Council this level of detail may be completed manually. It was suggested that the initial report provides the basic workforce data and then IJB Members can request specific elements of data for future inclusion.

Mr. Fayers noted that this information should be provided by the HR Leads.

The Chief Officer acknowledged the request, noting the need to establish clear specifics as to the information required and the escalation process. He advised that he would share the audit report with HR colleagues in both organisations.

Section 1.3, Grade 2 relating to HR Forum and Integrated Corporate Management Team (ICMT). The management response states, "HR Representatives from both organisations are invited to ICMT. Workforce issues can be discussed in the forum. HR sub group/forum will be considered if required."

The Chair was not aware of an HR forum being established or reinvigorated.

The Chief Officer advised that there is currently no IJB or Health & Social Care Partnership HR Forum, however any issues relating to HR would go via ICMT for a joint discussion. Mr. Fayers advised that he would like to use the ICMT as the mechanism to raise HR issues and at the same time obtain relevant reports, rather than creating a separate forum. The report may then align itself with finance and risk to enable triangulation of the issues and finance would be the main principle driver of change.

The Chair thanked Mr. Fayers for his clarification on the issue with a clear demonstrable pathway from ICMT to the IJB. The Chair also welcomed the confirmation of the IJB obtaining a workforce report on a quarterly basis and would be reported to the IJB Audit & Risk Committee next meeting.

The Chair, reflecting on the discussion, acknowledged the complexity in supporting the Chief Officer in obtaining workforce data across two separate systems. A mechanism is required to provide clear governance across the workforce issues to the IJB. As noted previous the audit recommendation needs to be achieved and complied with and as such will be monitored closely for compliance at each meeting.



Nick Fayers advised that, in line with the recommendations, it proved that if significant or appropriate progress was not achievable then the route of escalation to the Chief Executive would be invoked, depending on which route it refers to – NHS & CnES.

The Chair asked colleagues if they were content with the level of discussion over the Workforce report.

Jocelyn McConnachie noted her lack of assurance, in line with Audit Control Objective 3, in line with the management response which states that it will be “consider”. She felt the word feels nebulous and the processes may not be strong and therefore the process or language is very loose in relation to management response, it’s not assertive and well-articulated wording.

The Chair comprehended Mrs. McConnachie views and upon reflection agreed that perhaps the wording needs to be reviewed.

Ms. Bozkurt advised that the use of the word “consider” was noted by the respective HR Leads in the partner bodies, taking into account there being no formal procedure of escalation however the informal process works and they would “consider” was there any need to formalise the process.

The Chair acknowledge this process and reflection, however all aspects of processes should be formal, recorded and utilised to ensure that the governance approach is fully recorded and evidenced, in line with the audit review and recommendation. Any formal written process will come back to the Committee or the full IJB, following discussion within ICMT.

Decision: The Committee formally noted the update.

Action:

- 1. Quarterly workforce reports presented to the IJB, with the initial report presented at the next meeting.**
Nick Fayers
- 2. Close scrutiny of the Tracker, noting the updates and work towards closure of each recommendation will be clearly monitored with actions noted in compliance with the original submission date.**
- 3. Establish an escalation pathway, formally noted for use by all involved.**
Nick Fayers



5.2.2 Strategic Planning

Stephanie Hume presented to Members the report on the Internal Audit on the IJB's Strategic Planning Audit, acknowledging that the Chief Officer is currently producing a Strategic Framework which forms part of the auditor's comments.

Ms. Hume advised that the report noted the Control Objectives, again split in terms of the specific areas of review:

Control 1 - The Strategic Plan clearly sets out the IJB's vision, objectives and operating environment.

Control 2 - The strategic objectives are supported by outcomes and measures of success which are reported on to demonstrate the achievement of objectives.

Control 3 - The strategic planning process includes an analysis of internal and external factors, as well as stakeholder engagement.

Control 4 - Roles and responsibilities for strategic planning are clearly defined and assigned to individuals.

Six recommendations were noted – Grade 3 (Amber) 1 and Grade 2 Yellow – 5.

Discussing the Grade 3 (Amber) recommendation related to the Strategic Plan, which was active and covered the period from 2020-2021. The new proposed Strategic Plan covering the period of 2023-2026 has yet to be development, with the supporting Framework, and again at the time of the audit had not been completed, has since been developed and the draft formally approved to move forward with consultation.

The recommendation advised that management should provide a clear timeline to complete the Strategic Planning Cycle, including Board approval.

The management response noted "There is an annual cycle of commissioning that will be guided by the Strategic Framework. The further development of the framework and wider consultation through both the Strategic Planning Group and LPGs will be undertaken by close of Q3 (Dec'23)"

Ms. Hume acknowledged that the Audit was taken while elements of this were being developed by Mr. Fayers, and within the Framework it provides a clear mission statement, vision on objectives and does reflect the high level information in terms of operational environment. It was noted that a Pestel Analysis (Political, Economic, Social, Technological, Environmental and Legal Factors) had been undertaken.



This work has been taken into consideration, reflecting that the IJB is taking a different approach this time in developing the Framework, trying to address a changing environment, evolving operational processes and what services may look like in light of Scottish Government changes over the next 3 years.

It was noted that the IJB is working in line with the existing 2020-21 Strategic Plan until such time that the new Strategic Plan is agreed and implemented. The timescale for the review of the Plan, Framework and consultation needs to be formally agreed by the IJB.

The recommendations noted take all of this into consideration, therefore there should be a clear timeline, in relation to the consultation, provision of the whole planning cycle and how this enable input from the parent bodies ahead of agreement by the full IJB. The risk is real in terms that the work to produce the plans are underway, however it's the timescale, which the IJB accepts which needs to be formally approved.

Nick Fayers advised that annually the IJB establishes a level of commissioning via the Directions to the Parent Bodies, and this is still addressed in relation to the delivery of existing services in line with the Strategic Plan from 2020-21, and are cognisance of the Framework.

The Chair made a few observations, noting the positive aspect of the Audit report and advising that there is only 1 Grade 3, providing a level of assurance on the direction of travel.

The Chair noted within the report that the IJB has undertaken a needs assessment, however the Chair was not aware of this, although the request has been made, but as yet no information is available.

Mr. Fayers advised that the needs assessment refers to risk and environmental factors. The needs assessment which the Chair is referring to is the wider piece of work around epidemiology across the island chain and the other aspect is the wider comprehensive piece of work on Strategic Health Needs Assessment.

Ms. Hume confirmed that the "needs assessment" is the Pestel analysis, and noted that she would update the report to specific reflect on the Pestel needs assessment or environmental needs assessment for clarification, which the Chair thanked Ms. Hume for. Members noted the importance on the use of terminology and the constancy in its application to remove any ambiguity.



Ms. Hume advised that updates on the schedule of recommendations, within all the Audits presented would be around Spet'23.

Decision: The Committee formally noted the report.

Action: Require confirmation of the timeline for the Framework consultation through to the presentation of the Strategic Plan. **Nick Fayers**

Update the Audit report and recommendations in relation to needs assessment specifically noting this is a Pestel analysis/ Environmental Needs Assessment. **Stephanie Hume**

The recommendations will be added to the Tracker and updates from the Chief Officer will be provided by Sept'23. Where appropriate any subsequent reports, which arise from the outcome of the recommendation will be presented for agreement. **Nick Fayers**

5.2.3 Internal Audit Annual Report 22/23

Stephanie Hume advised that the annual report for the year which provides the committee with their opinion based on the work undertaken in the year. An opinion on the governance, risk and controls environment provides reasonable assurance regarding the effective and efficient achievement of objectives. This is the most positive opinion which Internal Audit will issue and reasonable assurance is the highest level of opinion noting no modification to the opinion has taken place this year.

Ms. Hume hoped that the report provided assurance to the Committee. It was noted that the report outlines the responsibilities of both Management and Internal Auditors throughout the year, the planning process for 2023. The Audits were undertaken over the pre-agreed 30 days.

In assessing the risks, Ms. Hume did advise that the definitions between the Local Authority and Azets are the opposite way around in relation to severity and she would map future reports to enable the Committee to compare historical and current audit outcomes.

The Chair thanked Ms. Hume for all their work and support.
The report was formally noted.

Decision: The Committee formally noted the report.

Action: Include on existing audit reports the grading status of both Local Authority & Azets. Future reports will note just the Azets grading. **Stephanie Hume**



5.2.4 Internal Audit Recommendation Tracker – as at 21.03.23

Stephanie Hume drew colleagues' attention to the report, noting their review is undertaken twice per year on the progress to implement the recommendations made throughout the totality of the audits undertaken.

Since May 2023 there was 21 audit actions on the tracker, noting that six actions were merged due to the time between audits being undertaken and recommendations being implemented. This action was as a result of a special meeting to assess and review the tracker report and the outcomes were agreed.

The remaining 15 recommendations were reviewed and 3 were closed following evidence submission and 1 was removed as it was no longer relevant given the duration of the audit and the action. Of the remaining 11, Internal Audit advised the Committee to focus on the Grade 1 & 2 recommendations (Local Authority grading) which is of a high severity level. A few recommendations are still outstanding from 2019/20.

Ms. Hume advised of an error within the report noting that the report status denotes November 2022 when it should note June 2023.

The Chair remarked on the different grading and asked for guidance on what is the best way forward. Ms. Hume advised that given that Azets were originally appointed for 1 year, during that term they undertook the audits but used the Local Authority Grading and it is for the Committee to note their preference.

Debbie Bozkurt thanked Ms. Hume for the report, which was very clear. In relation to future appointment of Azets, it is unclear if the Council will be in a position to support the IJB by June 2024, However she will raise this with Tim Langley, and propose that Azets are retained for a further 2 years which will allow the Council to consider their position and workload.

It was noted that both Ms. Bozkurt and Mr. Fayers would support retaining Azets as the Internal Auditors and utilising the Azets grading.

The Committee asked that the Azets grading should be used and existing grading should be changed to ensure clarity. It was agreed to use appendix 2 as the standard tracker format.

Decision: The Committee formally noted the Report.

It was agreed to move with Azets grading and this action will be homologated at the next meeting.



Action: Change the grading from Local Authority grading to Azets Grading on the current format

Debbie Bozkurt to discuss with Tim Langley if the appointment of Azets could be confirmed as a 2 year contract to secure rationalisation of recommendations and grading.

5.3 Financial Governance

5.3.1 Draft Annual Accounts 22/23

The Chief Finance Officer provided a verbal update on the current position of the production of the draft Annual Accounts. It was noted that the draft accounts are nearly completed by the Comhairle Section 95 Officer, Norman MacDonald. It is anticipated that the draft Annual Accounts will be provided at the full IJB meeting on the 29.06.23.

Last year the IJB noted an £8m underspend because of transfer of reserves, the Scottish Government gave approximately £3m for Covid funding and infrastructure resources for the dental project these allocations were moved from NHS into IJB reserves which resulted in the underspend.

However, Ms. Bozkurt noted that this year it's all opposite movement, and within the report there is a £5m overspend as the money put into reserves the previous year has moved back, on paper as there is no actual money being moved and the actual money is being retained by the parent bodies.

This year the IJB has achieved a break-even financial position with the support of a level of reserves.

The Annual Accounts will be presented as draft for approval before asking Audit Scotland to audit them.

Rachel Browne noted that the intention currently is to get the accounts completed by September 2023.

The Chair thanked Ms. Bozkurt for the report.

Decision: The verbal update was formally noted.

Action: No action.



6. PERFORMANCE

6.1 Performance Monitoring Report – June '23

6.1.1 Appendix 1 – Detailed Performance Report

Nick Fayers presented the report to Members advising that this is an annual report for 2022-23 of both Health and Social Care outcome indicators alongside the National Data indicators.

Within the report, Mr. Fayers drew colleagues attention to the trend analysis noting performance compared with other IJB authorities as well as against Scotland.

The Chair thanked Mr. Fayers for the detailed report.

Decision: The Committee formally noted the report.

Action: No actions.

6.2 Strategic Risk Register June 2023

6.2.1 Appendix 1 – Register at March 2023

6.2.2 Appendix 2 – Revised format

The Chief Officer, noting that it would not be possible to formally make a decision due to the meeting not being quorate, asked colleagues to have a discussion on appendix 2 ~ revised format.

Mr. Fayers noted that historically there were 11 risks and through discussion with Internal Audit and via the outcomes from the IJB development session, it is proposed to use the risk template developed by NHS Western Isles. Mr. Fayers wished to formally note his thanks to Members of the Committee who have assisted him to enable the report to be presented today.

The Chair asked colleagues for any comments in relation to the template.

Jocelyn McConnachie noted it would be useful to use this template and walk through how a single risk and how this would be reported within the template. Members of the Committee agreed with the suggestion and at the next meeting the risks register will be discussed in detail.

The Chair noted the views and, in principle, the committee approved the template which will be homologated at the next meeting.

The Chair, in relation to Appendix 1, make an observation and recognising that the scoring is not set by the Committee, she enquired if the scoring relating to IJBSR 3 & 5 should not be higher given that the demand on delegated services are already being outstripped.



Nick Fayers reflected on the comments made and the knowledge around the table, indicating that he will review the risks noted in appendix 1, when aligning them into the revised template, as noted within appendix 2, which in turn, may provide greater clarity and transparency.

Mr. Fayers advised that within the 5 revised risks, they are the strategic risks for the IJB which is informed in part from the risk registers which sit within the parent bodies.

All members agreed to this with a caveat that the risks will be discussed in detail at the next meeting.

Decision: The Committee noted the report.

Action: Due to the meeting not being quorate the Committee approved in principle the revised template which will be homologated at the next meeting.

At the next meeting review the risk register in detail.

DRAFT



7. EVALUATION

	YES	NO	COMMENTS
Were you satisfied with the content of the agenda?	✓		
Was there sufficient time to review the papers between receipt and the meeting date?	✓		
Were the agenda items placed in the correct order / prioritisation?	✓		Changes to the items were made due to the meeting not being quorate
Was there sufficient time allocated to all agenda items?	✓		
Were the Executive Summaries an accurate reflection of the detailed papers?	✓		
Was there sufficient refreshment breaks		✓	Members were offered a break but declined
Are there any significant issues which should be escalated?		✓	
Did you consider that the Board / Committee discharged its duty in respect of <ul style="list-style-type: none"> • Proper scrutiny • Relevant questioning • Constructive challenging 	✓ ✓ ✓		In relation to constructive challenge by the Committee, it is testing to say that process was done in partnership with the lack of attendance from council colleagues. However challenge & scrutiny was upheld by the NHS attendees.
Do you have any suggestions for improvement or additional comments about this meeting?		✓	

8. DATE AND TIME OF NEXT MEETING

Location: Microsoft Teams

Time: 10.00am

Dates:

Meeting Date	Submission of Papers
08.02.23	27.01.23
15.03.23 cxi	02.03.23
21.03.23	10.03.23
14.06.23	01.06.23
13.09.23	31.08.23
15.11.23	02.11.23



The Chair thanked everyone for their contribution to the discussions and the pertinent scrutiny of reports in a very constructive manner. The Chair brought the meeting to a close at 11:45am

END

DRAFT