



CÙRAM IS SLÀINTE NAN EILEAN SIAR

INTEGRATION JOINT BOARD

AUDIT COMMITTEE

MINUTE OF MEETING
21 MARCH 2023
HELD AT 1:30PM
VIA MICROSOFT TEAMS

Voting Members Present:

Gillian McCannon
Donald MacSween

Non-Executive Director, NHS WI / IJB Vice-Chair
Councillor, CnES

Non-Voting Members Present:

Nick Fayers

Chief Officer, IJB

In Attendance:

Martin Devenny

Auditor, Audit Scotland

Asif Haseeb

Senior Auditor, Audit Scotland

Carolyn MacPhee

Third Sector Interface Representative

Stephanie Hume

Senior Manager, Risk Assurance, Azets

1. WELCOME

Gillian McCannon took the Chair and led the meeting, welcoming all those attending to the meeting. The Chair noted that the date of this meeting was moved to accommodate annual leave and expressed her thanks to Members. It was noted that due annual leave there are a few papers which are unavailable, however a verbal report will be made.

2. APOLOGIES

Debbie Bozkurt

Chief Finance Officer, IJB

Michelle McPhail

Corporate Business Manager, NHS WI

Susan Thomson

Councillor, CnES

Jocelyn McConnachie

Non-Executive Director, NHS WI

Gillian Woolman

Audit Scotland



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 **It was noted that the minute of the 08.02.23 would be presented at the next meeting.**

Action: Minute of 08.02.23 presented in June 2023

4.1.2 **IJB Audit Committee Minute 23.02.23**

The minute of the Integration Joint Board Audit Committee held on 23 February 2023 was approved as an accurate record of the discussion.

Decision: The Committee formally approved the minute of 23 February 2023

Action: No actions required.

4.2 **Matters Arising**

4.1 Internal Audit Recommendation Tracker – Last paragraph noted that Gillian Woolman would meet with Nick Fayers to obtain some examples of other risk management strategies.

Nick Fayers advised that he has obtained examples of good practice from Martin Devenny and a meeting with Gillian Woolman will be held in the morning.

4.3 **Action Points**

[the Chair noted that the Action Points were not presented due to the minute of 08.02.23 not being available, however she asked for updates in general.

Nick Fayers noted the amalgamation of the outstanding audit recommendations but Stephanie Hume, noting that the amalgamated risk would retain the highest of the collated scores.

The Chair acknowledged the update from Nick Fayers.



5. AUDIT & FINANCIAL GOVERNANCE

5.1 Internal Audit Annual Plan 2023/24

Stephanie Hume presented the report to the Committee noting that auditing function was provided by the Local Authority historically and that following a request from the Chief Finance Officer, Azets were asked to support that function for the year. Thereafter, if Azets were to secure the contract for the NHS, they could support the function beyond the one year or enable the newly appointed auditors from the Local Authority to resume.

The Plan presented takes cognisance of the previous discussion by the Committee on potential areas of review. The areas of concern noted from previous discussions were around Financial Planning and Corporate Governance.

The Chair remarked that Financial Planning is scheduled for 23/24 along with Corporate Governance, however she enquired to a status on both Workforce Management information and Performance Management.

Stephanie Hume advised that she is waiting on the management responses to the Workforce report and this should be presented at the next meeting. The other review was actually around Strategic Planning and following discussions with the Chief Officer given that it's still in its planning stage and is there any benefit is addressing this. It is does not go ahead we will advise that there is a need to conduct a different audit. Ms. Hume noted her confidence that undertaking the Strategic Planning audit could still be achieved between now and June presentation.

Nick Fayers reflected on the discussion, advising that there is a draft Strategic Framework in place, which offers guidance to the Board returning then to the Partnership over the next 3 years. It was suggested that the audit focuses on the Framework and the correlation with the Scottish Government directions and national positioning with Health & Social Care Partnership issues and priorities.

Ms. Hume agreed to hold a further discussion to ascertain the auditing framework and would require a forward looking piece of work, but achievable.

Asif Haseeb drew the Chair to the need to obtain the internal audit opinion for 22/23 as this is a requirement to enable Audit Scotland to sign-off on the governance statement of the Annual Accounts.

The Chair reflected on the discussion and the paper, noting that this is an update and will seek further approval in June.

Ms. Hume noted that she is seeking comments from the Committee on the 23/24 proposal of potential areas for auditing.



The Chair and the Members agreed that Azets focus on the Strategic Framework as well as the noted audits for 2023/24.

Decision: The Committee formally noted the update.

Action: No actions.

5.2 Internal Audit – Workforce Management Report

This item will be presented at the next meeting in June.

Action: Agenda item for June 2023

5.3 External Audit Annual Plan 2022/23

Asif Haseeb presented Members with the report for the 2022/23 Annual Audit Plan, which is the first year of Audit Scotland 5-8 year appointment.

It was noted that the Committee have stewardship of the commissioning services to the value of approximately £90m. The following points were noted:

- Workplan for 22/23 external audit of the IJB includes
 - an audit of the annual accounts, and provision of an Independent Auditor's Report
 - an audit opinion on other statutory information published within the annual accounts including the Management Commentary, the Governance Statement and the Remuneration Report
 - consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes
 - consideration of Best Value arrangements
 - review Western Isles Integration Joint Board's arrangements for preparing and publishing statutory performance information.
- Section 11 ~ Communication of fraud or suspected fraud. Ms. Haseeb advised that it is the duty of the Non-Executive Director or Elected Member who sit on the IJB, if aware of any fraud that they make the auditors aware of this.
- Section 14 – Materiality – Planning Materiality is set at £1.8m which is based on 2% of the IJBs gross expenditure on the most recent audited financial statement 21/22.
- Section 14 – Materiality - Performance Materiality which is set at £1.35m, this is a trigger point, if the amount of aggregated errors is at or above this level then further review would be required of the accounts



- Section 14 – Materiality – reporting threshold set at £90k. This is when the auditors are required to report to those charged with governance on all unadjusted misstatements more than the £90k.
- Exhibit 2 Significant risks of material misstatement to the financial statement and notes one significant risk being the risk of material misstatement due to fraud caused by management override of controls. Senior staff have the ability to override controls and this requires further review to ensure that assurance on the position is made.
- Paragraph 24 & 25 – other areas of audit focus. No significant risks but there are areas which require highlighting relating to the Scottish Government clawback of resources and there is a requirement to obtain clarity and how this was disclosed and accounted for.
- Exhibit 3 – wider scope risk – one risk pertaining to financial stability which appears in all public body annual accounting processes
- Section 40 – Audit fee – discussion with the Chief Finance Officer and advised that there has been a lot of discussion within Scottish Government and National Director of Finance group on the increase in the audit fee.
- Section 46 – independence and objectivity – Advised that Gillian Woolman is retiring and Rachel Brown has been appointed and she will contact the Board soon.

Nick Fayers noted the clawback and use of reserves, which was noted, in my conversation with the Chief Finance Officer there is still a level of uncertainty on the position from Scottish Government. Mr. Nick gave example of two recent issues relating to Scottish Government funding within Primary Care and Mental Health where the level of funding noted has and could again be clawed back for redistribution and has an issue on maintaining employment contracts which are based on the allocation noted.

The Chair supported the issue raised by Mr. Fayers, both within the NHS and the IJB were allocations are obtained in the first instance but then clawed back for other use, and this is unstable to enable delivery of services and the development of change.

The Chair expressed her thanks to Mr. Haseeb in highlighting the significant points for the Committee to ensure that they are fully focused on the governance position and role of the Committee.

Decision: The Committee formally approved and noted the report.

Action: No actions



6. STRATGIC GOVERNANCE

6.1 Strategic Plan – 3 years (2023-2025)

The Chief Officer provided a verbal update to the Committee.

Nick Fayers noted that on the agenda the timeline of the Plan should be 2023-2026 and not 2025 and the report is for discussion.

It was noted that the Chief Officer intends to establish a Framework rather than a Plan in the first instance. The Framework will provide guidance for the IJB as well as onwards to the parent bodies over the next 3 years. It will offer a degree of flexibility within a set of parameters, in how it sets its directions over the 3 year period.

The Chief Officer advised that the performance will be measured using the MSG indicators which there are 9 indicators. The Framework has principles noted within it which it seeks to deliver which are around early intervention; Care at the right time, right place; community engagement and decision making. The Chair & Vice-Chair of the IJB will meet with the Chief Officer to discuss the document.

Carolyn MacPhee enquired if the Locality Planning Groups would be included in the Framework. Nick Fayers noted the LPG is included in the document and they are pivotal to getting the information and engagement involved.

The Chair advised that she has just obtained the Framework ahead of a discussion with the Chief Officer and the Chair of the IJB. Early reading notes it as aspirational and has some risks linked with locality planning. The Framework will go to the Board, ensuring that they have read it and therefore can participate in the discussion.

The Chair thanked colleagues for the discussion

Decision: The Committee formally noted the report.

Action: No actions



7. CORPORATE GOVERNANCE

7.1 Integration Scheme Review

Verbal update from the Chief Officer for discussion.

Nick Fayers advised that he has meet with Mr. Tim Langley and in part completed part of the review of the Scheme and the areas to focus on. This has been noted with Scottish Government who are broadly content with the way forward. The principle area of review is on dispute and draws on the historical issues and the update made to the Standing Orders at that time.

Timeline for presenting to the Board will be confirmed following a discussion with Mr. Langley.

Decision: The Committee noted the update.

Action: No actions

7.2 Business Continuity – Parent Body Assurance

The report is for discussion.

The Chief Officer met with both parent body Chief Executive's on the 27th of February, discussing business continuity, parent body assurance. He advised that both Chief Executives advised that they were content with their own organisation business continuity processes and measures in place, which is a matter for them, and they agreed to formally write back to the Chief Officer offering that assurance.

The Chair recalled on previous discussion with Gillian Woolman to obtain this level of assurance and supporting evidence.

Decision: The Committee noted the verbal update.

Action: No actions

7.3 IJB Audit Committee Terms of Reference

The Chair presented the draft proposed amended terms of reference noting some specific changes to the process when assessing and reviewing risk and increasing the membership and it was noted that Cllr. Calum MacLean and a NHS member have been asked in advance of the agreement. As a result of the increase in the membership the level of quorate has increased as well as including the Chief Officer.



Members discussed the position of membership and quorate position and following the discussion the Members were in agreement with the proposed changes.

The Chair advised that the clean draft version of the Terms of Reference will go forward to the June IJB meeting for approval.

Decision: The Committee approved the revised Terms of Reference.

Action: Present the draft ToR to the IJB in June for approval.

8. PERFORMANCE

8.1 Performance Monitoring Report – Feb '23

The Chief Officer presented the National MSG IJB indicator performance report to Members, noting that the report provides the performance position as at the end of February 2023. Members were drawn to section 2.1 Overview noting the dashboard indicators. Performance, with the exception of three areas (A&E attendances, A&E 4 hr performance and Acute last 6 months of life care), is performing better than the national average.

A&E attendances is a set of complex drives and is a crude measure of the overall health of the population. The islands have a significant level of temporary residents ranging from holiday visitors to people working on island for a short or longer period of time but who have not registered with a GP and retain their own GP in the home base. Some people who live on the islands for short periods of time between 7-9 months a year are predominately retired.

The partnership is involved in a number of wider work of Health and Social Care engaging through a number of specific channels around Urgent and Unscheduled Care. The work is to ensure that the presentation at the A&E department are justifiable and are classed as life threatening events opposed to minor illness or minor treatment – cuts, grazes, sore stomach etc. This works alongside NHS24 and Scottish Ambulance Service.

Mr. Fayers provided additional information in relation to the performance on the last 6 months of life care, relating to where the individual spends there last 6 months of life e.g. in palliative care facility or in hospital. Comparing the performance against national performance and where possible people are enabled, if they and their relatives wish, to be at home/residence.

Mr. Fayers noted the benefits of having more dynamic narrative to support the statements made in the report, providing that greater level of detail, would be more beneficial. The Health Informatics team will produce a report, assessing the performance annually for presentation at this meeting and the full IJB.



The Chair remarked on the presentation of the data, specifically reviewing retrospective data which provides no ability to change, compared with real time data. It was noted that it's imperative to have monthly narrative discourse to go with the reports. The presentation of the data does not provide detail apart from performance being good (green) or bad (red) and therefore analysis is required to obtain assurance, which was provided once.

The Chair remarked on Mental Health unscheduled bed days, noting the IJB is below the national average. Is this that performance is very good or are people not reporting appropriately. Again without narrative there is no ability to obtain assurance.

The Chief Officer advised that the number of bed days is drawn from the admission system in the Hospital within APU and this is accurate. It was noted that the performance levels is the national picture across Scotland noting the Mental Health bed capacity. Looking at the Islands NHS Western Isles does have an APU facility with 5 beds, compared with other Island Boards NHS Shetland do not have such a facility nor does islands within the Inner Isles.

Mr. Fayers advised that given the indicators are pre-set nationally, more health centric and if able to set our own indicators they would look different to meet local delivery – setting local key performance indicators.

The Chair acknowledged the information provided by the Chief Officer, thanking him for this.

Decision: The Committee formally noted the report.

Action: Request for detailed narrative to support each performance indicator.

Nick Fayers

8.2 Corporate Risk Register

The Chair noted that there was no report to review and that the Chief Officer would provide a verbal update.

Nick Fayers advised that the report would be available for presentation to the full IJB, noting that the report will be presented quarterly. The Committee, and the full IJB, agreed to move the risk register onto a system base rather than using a standalone excel spreadsheet, utilising the NHS Datix system. This work is being progressed.



The Chair noted, within the Internal Audit Corporate Strategic Risk Register and the role of the Committee around review of risk scoring and the rationale for this. Further scrutiny of the report can be made at the full IJB or at the next presentation to the Committee.

Decision: The verbal update was noted.

Action: No actions

9. FOR INFORMATION

9.1 Audit Scotland Report – NHS in Scotland 2022

The report was for noting as background information, which the Chair recommended as it covers many aspects.

The Chair asked if any colleagues wished to raise anything:

1. Carolyn MacPhee, reflecting on the performance and monitoring if consideration should be given to the third sector community mental health and wellbeing organisations and service users. It was noted that the Third Sector Hebrides are evaluation their Year 1 data to ascertain the effect of the delivery on the users and assess this with Year 2 applicants. There could be a way to look at local metrics or indicators to performance, although not in line with national indicators but focus on the impact of change locally.

Ms. MacPhee advised that if this was of interest she could, as part of TSI Strategic Business Plan, which is being reviewed next week consider this information as part of future evaluation.

The Chair thanked Ms. MacPhee for the suggestion and remarked that it's a good idea however if a paper, in due course, could be produced and presented to the Committee for consideration that would enable everyone to have input rather than making a decision today.

2. Donald MacSween reflected on an earlier point in the discussion, noted by Carolyn MacPhee, but not specifically relating to the Committee relating to acronym CLDL Local area / lag. He will obtain a brief from Officers in the Comhairle and he will send it to Michelle McPhail to forward on to colleagues.



10. EVALUATION

	YES	NO	COMMENTS
Were you satisfied with the content of the agenda?	✓		Lighter than normal
Was there sufficient time to review the papers between receipt and the meeting date?	✓		Some papers were late from colleagues.
Were the agenda items placed in the correct order / prioritisation?	✓		
Was there sufficient time allocated to all agenda items?	✓		
Were the Executive Summaries an accurate reflection of the detailed papers?	✓		Only one executive summary. Too many verbal updates which cannot be scrutinised
Was there sufficient refreshment breaks	✓		
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 	✓ ✓ ✓		People asking questions were more one sided but with the increase in membership this will help.
Do you have any suggestions for improvement or additional comments about this meeting?		✓	



11. 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 ext	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 11:30am.

END

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