



# CÙRAM IS SLÀINTE NAN EILEAN SIAR

## INTEGRATION JOINT BOARD

### AUDIT COMMITTEE

**MINUTE OF MEETING**  
**08 FEBRUARY 2023**  
**HELD AT 10:00AM**  
**VIA MICROSOFT TEAMS**

#### **Voting Members Present:**

Gillian McCannon  
Susan Thomson

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

#### **Non-Voting Members Present:**

Debbie Bozkurt

Chief Finance Officer, IJB

#### **In Attendance:**

Martin Devenny

Auditor, Audit Scotland

Asif Haseeb

Senior Auditor, Audit Scotland

Laura Nelson

Auditor, Audit Scotland

Stephanie Hume

Senior Manager, Risk Assurance, Azets

Iain MacKinnon

CnES, Director

Michelle McPhail

Corporate Business Manager, NHS WI

Gillian Woolman

Audit Director, Audit Scotland

#### **1. WELCOME**

Gillian McCannon took the Chair and led the meeting, welcoming all those attending to the meeting.

It was noted that this was the first meeting of the newly appointed external auditors from Audit Scotland. The Chair asked Asif Haseeb to take the opportunity of introducing his team. Individuals were introduced including their background and their service to each of the organisations, NHS, Local Authority and to the IJB, noting the principle contact for the IJB will be Asif Haseeb and Martin Devenny.



Gillian Woolman, Audit Director for Audit Scotland advised that she welcomed the opportunity to support the IJB in its assessment and production of its Annual Report for 2022/23. It was noted that Mrs. Woolman will be retiring at the end of March 2023 and a replacement Audit Director will be appointed and the Committee will be advised of that person in due course.

The Chair acknowledged the position of Mrs. Woolman and indicated that she hoped there would be a good relation with the new team as there was with David Jamieson and Ray Buist.

## 2. APOLOGIES

|                     |                                       |
|---------------------|---------------------------------------|
| Nick Fayers         | Chief Officer, IJB                    |
| Carolyn MacPhee     | Third Sector Interface Representative |
| Donald MacSween     | Councillor, CnES                      |
| Jocelyn McConnachie | Non-Executive Director, NHS WI        |

## 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 IJB Audit Committee Minute 24.11.22

The minute of the Integration Joint Board Audit Committee held on 24 November 2022 was approved as an accurate record of the discussion.

**Decision:** The Committee formally approved the minute of 24 November 2022

**Action:** No actions required.

### 4.2 Matters Arising

**Page 7 item 6.5 Audit Scotland Annual Report 21/22** ~ Asif Haseeb noted that during the meeting of the 24 November 2022, David Jamieson indicated that the delay on the production of the Annual Report was in part due to the pandemic and that for the 22/23 Annual Report presentation this year would revert back to September 2023.

Asif Haseeb advised that he is unable to advise if he and his team will be able to achieve delivery of the report by September 2023. However he and his team will do their best to achieve this timeframe but there is no formal committee at this point.



#### 4.3 Action Points

**12.01.22 – 8.2 Risk Register - Proposal to dissolve the Clinical & Care Governance Committee** - It was noted that a meeting between Nick Fayers, Emma MacSween, Jack Libby and Michelle McPhail and it was agreed to disband the group and in place the IJB Audit Committee and IJB Board would be presented with the NHS Healthcare Governance Annual Report and the CnES Chief Social Work Officer Annual Report. An element under discussion is the pathway to raise any issues which arise within the parent bodies and how this is noted to the IJB. This may take some time to finalise.

**09.02.22 – 5.1.2 Consultation, Participation and Engagement – Internal Audit Report** ~ require an update from the Chief Officer

**24.11.22 – 5.2 Matters Arising – establish a meeting between the Chair, Chief Officer, Internal audit and Tim Ingram** ~ it was noted that this is no longer required. **REMOVE**

**24.11.22 – 6.3 Workforce Report Q2** – data relating to Child Care information will be provide in future reports ~ Debbie Bozkurt advised, upon reflection, that the information would not be available for inclusion in the report however the Comhairle Education Department may be able to support the information on childcare provision across the islands. This is no longer an item for the Committee and the issue should be taken up by the CPP, given the members on the Committee who are on the CPP should take this forward. **REMOVE**

**24.11.22 – 6.5 Audit Scotland Annual Accounts** – The report will be presented to the full IJB in December 2022 ~ session held in Dec'22. **COMPLETE**

**24.11.22 – 6.6 IJB Annual Accounts** – schedule the accounts onto the December IJB Board ~ session held in Dec'22. **COMPLETE**

**24.11.22 – 6.7 Internal Audit Recommendations status** - Chief Officer to review outstanding actions and take a decision to alter the delivery dates ~ this item is on the agenda. **REMOVE**

**24.11.22 – 6.7 Internal Audit Recommendations status** – Identify a development date on risk management ~ on the agenda. **REMOVE**

**24.11.22 – 6.7 Internal Audit Recommendations status** – Meeting to be established ~ this was a session to be had with a member of the Committee who had professional expertise in risk, however the person has left the Board and this action should be removed. **REMOVE**



**ACTION:** It was noted that a session on Risk Management provided by Azets should be provided to the full IJB in a development session. Potentially for May 2023.

**24.11.22 – 6.7 Internal Audit Recommendations status** – Chief Officer to utilise the NHS Risk Management Strategy ~ this action forms part of the review of the audit recommendations and further input to this action will be as a result of the discussion. **UPDATE**

**24.11.22 – 6.8 Internal Audit Plan 23/24** – note as an agenda item for the next meeting ~ complete on the 08.02.23 meeting. **REMOVE**

**24.11.22 – 7.1 + 7.2 – Goathill & BVCC** – presented at the next meeting of the Committee ~ complete on the 08.02.23 agenda. **REMOVE**

**24.11.22 – 8.2 Performance Report** – present at the next meeting of the Committee ~ complete on the 08.02.23 agenda. **REMOVE**

## 5. FACILITY REVIEW – PARENT BODIES

### 5.1 Goathill Project Update

Ian MacKinnon presented the report advising that the report is due for presentation to the Comhairle Policy & Resource Committee later today. It was noted that the presentation would only focus on construction of the facility with Nick Fayers providing the update on the operational commissioning and staffing of the facility. However Mr. Fayers was not present at the meeting.

Construction work is complete with snagging being addressed with completion by Monday 27<sup>th</sup> of February and transfer of ownership will be handed over. After that a further 4 – 6 weeks would be required for operational commissioning of the buildings with the transition of clients being made by the middle or end of April.

In the absence of Nick Fayers, Mr. MacKinnon recalled from a previous Comhairle meeting that the operational position was that the remaining staffing gap is relatively small.

The Chair thanked Mr. MacKinnon for the presentation, acknowledging the challenge of obtaining updates in the absence of the Chief Officer. The Chair also thanked Iain MacKinnon for the report, acknowledging the work completed to date to obtain a delivery of the facility which is imminent.

**Decision:** The Committee formally noted the update.

**Action:** No actions.



## 5.2 Barra and Vatersay Community Campus

Iain MacKinnon presented the paper to colleagues advising that the project in relation to the design work had been stood down. In light of the outcomes of the recent end of stage report, which indicated that the total project cost was £88.3m. The focus has been on 3 points:

1. Presentation of the Healthcare Outline Business Case to the Scottish Government Health and Social Care Capital Investment Group. The OBC was considered by the Investment Group on the 25.01.23 and the Health Board have not yet received any response from the Scottish Government.
2. Finalising the Comhairle's education authority regarding the funding of the learning and sports facilities through the Scottish Government Learning Estate Improvement Programme (LEIP).
3. Further review of the projects funding position.

It was noted that the LEIP funding had increased from £13.4m to £23.5m, which is a significant increase. The downside was that an application for Levelling Up funding of £4.4m was unsuccessful but waiting on the outcome of the second round of bids.

The overall project funding gap has now reduced from £33m to a report position at the end of November 2022 to £17.1m, which is still a considerable level of funding to be identified.

Debbie Bozkurt advised that she is aware of a report being written for the IJB on the staffing position but there is work on financial position on the actual cost for the pay award given that only 50% of the allocation will come from the Scottish Government and the Comhairle have indicated that they will not have the other 50% of the pay cost to put forward to the IJB. It was noted that £2m is set aside to pay for the first 3 years of Goat Hill increased costs on the assumption that the National Care Service may have come to fruition.

The Chair remarked on the impact not having Nick Fayers present has had on the Committee being able to be fully informed. The Chair advised that another meeting maybe required if Mr. Fayers is unavailable when the discussion arises at the Risk Recommendations. Susan Thomson agreed to another meeting.

**Decision: The Committee formally noted the update.**

**Action: No actions**



## 6. CORPORATE GOVERNANCE

### 6.1 FOI Report to Scottish Commissioner (Oct-Dec'22)

Michelle McPhail advised that the IJB will only address requests pertaining to the corporate function of the Board and any requests relating to service delivery are referred onto the parent body. Therefore for the period of October – December 2022 the IJB made a nil return to the Information Commissioner.

**Decision:** The Committee noted the update.

**Action:** No actions

### 6.2 IJB Directions – update

Michelle McPhail advised that the IJB agreed the Directions set out in June of 2022 and the update would be provided as and when service delivery changed which resulted in the Direction to the parent bodies changing.

Debbie Bozkurt advised that it is not just the delivery of service changes but also would reflect major change in allocation from the Scottish Government which would then impact on the IJB ability to retain a service or require the delivery of the service changes to meet the allocation.

The next time the Directions will be presented seeking agreement will be following the agreement of the allocation and agreement of the Annual Accounts.

**Decision:** The Committee noted the verbal update.

**Action:** No actions

## 7. AUDIT & FINANCIAL GOVERNANCE

### 7.1 Financial Performance Monitoring Report M9

The Chief Finance Officer provided an update, highlighting the following points:

- As at Dec'22 in year overspend of £1,907k and projecting a breakeven by the year-end.
- Mental Health consultant overspend will be supported by the movement of £700k which will be used for delivery of adult services.
- Covid allocation still needs to be transferred from NHS reserves.
- NHS pay award will be passed onto the IJB in full
- CnES pay award, which is only 50% of the cost, will be passed onto the IJB, with confirmation from the Comhairle Section 95 Officer. Shortfall will be made via general reserves or underspending in other areas.
- Waiting on confirmation from Scottish Government on the allocations for mental health and primary care.
- Projecting overspend on electricity, gas and oils



- Associate with Covid and no reserves to support the increase in prescribing and drug costs, high cost drugs.
- Applying the Covid allocation to throughput on Erisort Ward and Medical Ward, which is in the IJB, and can cover the red roots for Covid and the budget expenditure may decrease with the support of the covid funding.
- Vacancies in residential care is overspent by £353k linked to estimated pay award, increase in relief staff and sickness, which is approximately running at 10% sickness level.
- Home care projected underspend of £392k but actually £1.2m underspend on pay as the service cannot recruit to vacancies. This is off set with the cost of agency staff which is approximately 1.5 times more expensive to support.
- Projecting £700k overspend on Psychiatrists with agency staff cover and sickness. This is being addressed by the Chief Officer.
- GP OOH largest overspend is in Uists & Barra where locums are required. Castlebay General Practice is noted as a 2C practice and is being run by the NHS. Adverts are out for the post of GP. Currently running the service with locum and there is no detriment to the service being obtained.

The Chair enquired to:

- Section 1.2 in the report, 3<sup>rd</sup> bullet point ~ for this financial year any shortfall relating to the LA pay award will come from general reserves ~ how will this affect the budget and effect the overall general reserve.
  - There is £2m in general reserve and this will reduce as it support the pay and other aspects will require support from the reserve.
  - Flat cash from the Local Authority each year has a £500k annual impact on the IJB with underlying deficit of £3-£4m. The pay ward shortfall is 2.5% and equates to £500k which will impact annually on the IJB.

The Chair remarked that the IJB is being advised that it's supported by the reserves to achieve a break even position which is in part due to the flat cash allocation from the Comhairle which will now increase further with the inability to cover the cost of the full pay award.

The Chair thanked Ms. Bozkurt for the report and expressed her and the Committee's thanks for the detailed work continuing behind the scenes.

**Decision:** The Committee noted the report.

**Action:** No actions.



## 7.2 Internal Audit Plan 23/24 – audit suggestions

The Chair noted the verbal discussion which arose from a previous discussion on other potential areas of audit required. The possible areas were noted by Stephanie Hume would be:

- Risk Management
- Old recommendations which are still outstanding and reviewed over 2019-2020:
  - Financial Management
  - Financial Planning - Debbie Bozkurt noted that it's challenging to do financial planning when you only obtain 1 year funding with any guarantee however projections are based for a 3 year period. Anything beyond three years is not achievable. Stephanie Hume advised that the audit would not be saying what is not being achieved but would note and provide assurance that all aspects are under consideration and that the IJB is achieving what it can deliver within the conditions and parameter in place.
  - Corporate Governance
  - External Communication
  - Workforce and Strategic Planning – this is being covered this year

Colleagues discussed the historical discussion by the Committee relating to the level of staff leaving the Comhairle and exit interviews.

Susan Thomson advised that this was discussed by the Councillors and it was noted that the information the Council could obtain from the exit interviews if undertaken by their HR department people may not be as honest in their views just in case they needed to return working for the Council. The exit interviews are not compulsory and only based on a wish by the individual leaving.

The Chair noted that she will not be prepared to make any decision in light of the Chief Officer being absent and 2 voting members being absent but this can be raised at the next meeting.

Debbie Bozkurt noted that there are also staffside representative and other reps on the Committee. Michelle McPhail advised that Carolyn MacPhee was unable to make the meeting and there is no replacement noted by the Comhairle as their Staffside Rep.





The Chair thanked everyone for the discussion and agreed that this would be taken at the next meeting.

**Decision:** The Committee noted the verbal discussion  
**Action:** Agenda item for the next meeting.

**8. PERFORMANCE**

**8.1 Internal Audit Recommendation Tracker – Jan’23**

**8.2 External Audit Recommendation Tracker – Jan’23**

The reports were supposed to be presented by Nick Fayers, noting a number of recommendations and actions, and due to his absence the Chair wished to defer this to another meeting. It was suggested that the meeting is scheduled for an exception meeting on the 21<sup>st</sup> March ahead of the next full IJB meeting. This was agreed.

**Decision:** The reports were not discussed  
**Action:** Exceptional meeting on 21.03.23

**9. EVALUATION**

|  | YES | NO | COMMENTS  |
|--|-----|----|---|
| Were you satisfied with the content of the agenda?   | ✓   |    |   |
| Were the agenda items placed in the correct order / prioritisation?                                  | ✓   |    |   |
| Was there sufficient time allocated to all items?  | ✓   |    |   |
| Were the Executive Summaries appropriate for the papers and contained within the new format (21/22)? |     |    | None presented and require this for future meetings |
| Was the purpose of each paper clear?   | ✓   |    |   |
| Was there sufficient refreshment breaks  | ✓   |    |   |
| Are there any significant issues which should be escalated to the full Board                         | ✓   |    |   |
| Do you have any suggestions for improvement or additional comments about this meeting?               |     | ✓  |   |



**10. 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     | 02.03.23             |
| 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**

DRAFT