



**CÙRAM IS SLÀINTE NAN EILEAN SIAR  
WESTERN ISLES INTEGRATION JOINT BOARD**

**INTEGRATION JOINT BOARD  
AUDIT COMMITTEE**

Minute of the meeting of the Western Isles Integration Joint Board Audit Committee  
held on Wednesday 10 August 2022 at 10.00am, via Microsoft Teams

This meeting was recorded for the purpose of supporting the production of the minute which was completed by Michelle McPhail, Corporate Business Manager. The recording will be destroyed following the production of the minute.

**Members:**

Tim Ingram	Non-Executive Director NHS WI
Gillian McCannon	IJB Chair, NHS Western Isles / Vice Chair of IJB Audit Committee (Meeting Chair)
Donald MacSween	CnES Councillor
Susan Thomson	CnES Councillor

**In Attendance:**

Debbie Bozkurt	Chief Finance Officer, IJB
Ray Buist	Auditor, Audit Scotland
Nick Fayers	Chief Officer, IJB
Stephanie Hume	Internal Auditor, Azets
Michelle McPhail	Corporate Business Manager, NHS WI
Iain MacKinnon	CnES Project Director

**1. WELCOME**

The Chair welcomed everyone to the meeting.

**2. APOLOGIES FOR ABSENCE**

Carolyn MacPhee	Chair, Third Sector Interface – Western Isles
David Jamieson	Senior Audit Manager, Audit Scotland

**3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **4. MINUTES**

##### **4.1 IJB Audit Committee Minutes of 07 July 2022**

Minute of the Integration Joint Board Audit Committee held on the 07 July 2022 was approved as an accurate record of the discussion.

**Decision:** The Committee formally approved the Minutes of 07 July 2022

**Action:** No action required.

##### **4.2 Matters Arising**

No issues were raised.

**Decision:** No items raised.

**Action:** No actions required.

##### **4.3 Action Points**

The Chair took colleagues through the action points, updating where appropriate.

**12.01.22 – 5.1 – Goathill Project update ~ arrange a visit for Members.** Mrs. McPhail confirmed that the visit is scheduled for the 12<sup>th</sup> of September 2022. **REMOVE**

**12.01.22 – 5.3 – Timetable 2022 – revised.** Work Plan is on the agenda for approval. Remove both entries for this agenda item. **REMOVE**

**12.01.22 – 8.2 – Risk Register.** The items are on the agenda for discussion. **REMOVE**

**09.02.22 – 4.2 – Matters arising ~ Comhairle staff survey.** It was noted that part of the paper has been provided however Michelle McPhail was awaiting confirmation from the Comhairle that the paper was available for presentation in public. Until this was confirmed the report cannot be presented. **UPDATE**

**09.02.22 – 4.2 – Matters arising ~ CnES exit interviews.** Internal Audit would discuss with CnES to seek to understand the overview of their process, but not to undertake an audit as this is not part of the IJB's responsibility. **UPDATE**

The Chair advised that following a discussion with Emma MacSween that staff were leaving the Council and leaving the Southern Isles to move back to the mainland, due to the lack of ferry availability. The services provided to support island life is a significant risk to enable recruitment and retention of essential staff to delivery health and social care services.

Nick Fayers advised that exit interviews are not mandatory and therefore, from the small number of voluntary exit statements you could not establish a true representation of the working environment.

**09.02.22 – 5.1.2 – Consultation, Participation and Engagement – Internal Audit Report.** Nick Fayers advised that Emma MacSween is preparing a paper capturing the activities across the Locality Planning Groups and will come forward at some stage.

**UPDATE**

**09.02.22 – 5.1.3 – Information Governance and Data Sharing – Internal Audit Report ~ review of recommendations.** Item is on the agenda for discussion.

**REMOVE.**

**07.07.22 – 6.1 – Draft IJB Annual Accounts ~ Review of external audit plan.** Members were given the opportunity to submit any questions in relation to the Audit Plan by the 22.07.22. Michelle McPhail confirmed that there were no questions submitted and therefore the item can be removed.

**REMOVE**

**07.07.22 – 6.2 – Final Internal Audit Report 21/22 – awareness session for all members on the capital investment of Goathill & BVCC.** On the IJB agenda for the end of the month.

**REMOVE**

**07.07.22 – 6.3 – Azets Audit Plan 22/23 – Incorporate a strategic workforce review of CnES into the work plan.** Completed.

**REMOVE**

**07.07.22 – 6.4 – Internal Audit Recommendation Tracker.** On the agenda for discussion.

**REMOVE**

**Decision:** The Audit Committee formally discussed and noted the updates.

**Action:** Actions from the above discussion will be reflected in the revised Action Points.

The Chair noted the attendance of Iain MacKinnon, and to enable Mr. MacKinnon to leave early, the agenda item on Goathill and BVCC would be taken next. Members agreed.

## **7. STRATEGIC GOVERNANCE**

### **7.1 Goathill Project Update – standing item**

Iain MacKinnon presented the report to Members, noting that the report relates to the construction activity of the site. He highlighted the following points:

- Contract completion has been delayed from the end of February 2022 to an anticipated date of the end of October / beginning of November 2022.
- The delay is in part due to the pandemic and now the challenge in recruitment of subcontractors to finish the joinery, painting and decoration.
- The completion of the fitting out of the site, from October, may take until the end of December, approximately 6 weeks following handover of the building.
- The site visit by IJB Members, scheduled for September, will enable an appreciation of the size of the site, its layout and how it will function as a care service, as well as how staff will work in the area safely.

Nick Fayers advised of the challenge in appointing to the workforce and a paper will be presented by Emma MacSween in September noting an update on where recruitment is.

Members remarked on the potential impact and the knock-on effect of post pandemic construction and the challenges of finding people to taken on major building work, thinking about the Barra and Vatersay Community Campus. Currently the cost of materials is increasing at an alarming rate and shortage of skilled trades is compounding the situation.

Members thanked Iain MacKinnon for the update on the development of Goathill.

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

**Action: No actions required.**

## **7.2 Barra and Vatersay Community Campus – standing item**

Iain MacKinnon advised that the report presented to Members was considered by the Comhairle's Policy and Resource Committee in June 2022. The following points were noted:

- the development of the project remains on schedule for completion of Stage 1 by mid-July 2022. Further detail on progress and the current areas of priority, including risks associated with project cost arising from construction market conditions.
- Following community engagement the design has been positively supported by the community, which is very positive progress.
- The cost of the project has significantly increased since reported in February 2022 cost plan and ongoing dialogue with Scottish Government colleagues continues.
- Description of Milestone and Date Actual/Forecast was presented, however achieving these milestones is subject to project affordability and the securing of relevant Scottish Government funding.
  - Development Stage 1 Process Start 28 February 2022 (A)
  - RIBA Stage 2 Concept Design finalised/ hub Stage 1 Submission 15 July 2022 (F)
  - RIBA Stage 4 Technical Design finalised 27 January 2023 (F)
  - Tender Return Date/hub Stage 2 submission 7 July 2023 (F)
  - Contract Awarded / Financial Close 7 July 2023 (F)
  - Construction Start Date 4 Sept 2023 (F)
  - Learning and Sports Facilities Availability 31 July 2025 (F)
  - Healthcare Facilities Availability 31 October 2025 (F)
  - Housing with Extra Care Availability 31 October 2025 (F)
  - Construction Completion Date 30 March 2026 (F)

Work continues to progress the work, one stage at a time and await the outcome of the Scottish Government's decision on the funding.

The Chair thanked Mr. MacKinnon for his update, acknowledging the challenges placed before the partner organisations to secure funding.

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

**Action: No actions required.**

## **5. CORPORATE GOVERNANCE**

### **5.1 IJB Audit Committee Work Plan 22/23**

#### **5.1.1 Revised meeting schedule for 2022/23**

Michelle McPhail presented the proposed committee work plan for 22/23. The schedule of meetings is also being adjusted and seeking agreement.

Looking at the previously agreed scheduled of meetings, which was monthly for the IJB and the Audit Committee, this was perhaps over ambitious as the schedule only allowed for a few weeks to turn around papers and progress issues, which has resulted in non-achievement.

Therefore the proposal is to hold 5 meetings in any calendar year and this is presented to you. If you are in agreement the paper will be presented to the IJB later in the month.

The work plan denotes the papers required for presentation to the Committee for either information or review and approval. This is based on the historical schedule of papers but also taking into consideration future development of services.

Mrs. McPhail drew colleagues' attention to the section on the work plan for policies & strategies which is blank. It was noted that Nick Fayers is undertaking a review of the list of policies and strategies Mrs. McPhail provided to him, to ascertain when the out of date documents will be revised and ready for presentation.

The section on internal audit report presentation has been discussed with Stephanie Hume and once the audit work plan has been agreed this section will be populated.

Debbie Bozkurt advised that a report on the insurance position of the IJB, which is covered under the national public body liability, CNoRIS and a report will be presented every two years with an update. This covers members from any liability for them making a decision which then had a clinical impact on any patient.

Ms. Bozkurt reflected on the schedule of meeting dates, and specifically in relation to the development sessions and the workforce issue. The IJB cannot wait to develop something to address the workforce issues facing the organisations.

Mrs. McPhail advised that the schedule of development sessions can move around as required.

The Chair noted the workforce issue had been presented to the OHCPP and it was being taken to their Executive Group, however the Executive Group Members are the same people that sat on the OHCPP, which was not made clear to the Chair or Ms. Bozkurt. The issue of discussing workforce is still on the OHCPP agenda.

The Chair asked that the development session on risk is held early in the New Year to ensure that all IJB members are aware risk in its entirety. Mrs. McPhail advised that risk could be added onto the development day alongside budget formulation and virements.

The sub-groups noted on the timetable were discussed noting that a Co-Design Group will be established once the guidance for the National Care Service is confirmed. In relation to the Clinical & Care Governance Committee, the proposal is to disband this and replace the assurance on clinical governance with the submission of the NHS Clinical Governance Annual Report (HG&AC) and the Chief Social Work Officer Annual Report; however this is being taken forward by the Chief Officer as discussions need to take place with the Chair of the group and key colleagues. As discussed previously the Strategic Planning Group is not functioning appropriately and the Chief Officer is reviewing the Terms of Reference and membership.

Nick Fayers advised that he is looking at the Strategic Planning Group remit which will then indicate the membership and the way forward, and currently the group are not meeting. It was proposed to invite Calum Iain, Deputy Chief Executive of CnES to update on the work being undertaken on population by the Comhairle.

Tim Ingram enquired if the work plan includes statutory obligations set out for the IJB. Mrs. McPhail advised that it does, however the Audit Committee self-assessment needs to be added.

The Chair thanked Mrs. McPhail for the report and colleagues for their additional updates to the work plan and approved for the revised schedule to be presented to the full IJB at the end of the month.

**Decision: The Committee formally agreed to the work plan and the revised schedule.**

**Action: The revised schedule of meetings will be presented to the IJB in August.**

**Risk Register development propose to hold on the 24 November 2022.**

**Review the next Workforce report from Debbie Bozkurt before making any decision on inviting the Comhairle Deputy Chief Executive to the next Committee meeting. On Hold.**

## **5.2 FOI Report to Scottish Commissioner (April – June)**

Nick Fayers verbally updated Members that the submission to the Scottish Information Commissioner on the IJB's FOI and EIR requests for the period of April to June 2022 was a nil return. It was noted that all FOI & EIR requests relating to patient care or environmental buildings are directed to the parent body.

The Chair thanked Mr. Fayers for the verbal update.

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

**Action: No actions required.**

A refreshment break was held for 15 minutes.

## **6. AUDIT AND FINANCIAL GOVERNANCE**

### **6.1 Audit Scotland Letter – withdraw Best Value Review**

The Chief Finance Officer, Debbie Bozkurt, presented the Accounts Commission letter, dated 15<sup>th</sup> of July 2022, to colleagues. The letter advised that IJBs no longer have to undertake a Best Value review and that the audits undertaken both internally and via external auditors will be used to provide assurance of good practice.

The Chair thanked Ms. Bozkurt for the notification.

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

**Action: No actions required.**

### **6.2 Audit Scotland Letter – Ethical Standards**

Gillian McCannon, the Committee Chair, advised Members of the revised Code of Conduct for Members of Devolved Public Bodies. The Code will replace the existing Code of Conduct.

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

**Action: No actions required.**



### 6.3 Internal Audit Recommendations Status – Audit Recommendation Tracker

Debbie Bozkurt advised that the purpose of the report is the first version of the collective internal audits undertaken by CnES Internal Audits, to provide assurance that the recommendations have been addressed, or a reason for the removal due to recommendations being superseded.

Further update will be provided at the next meeting.

Ms. Bozkurt advised that the document, once revised and becomes smaller, will provide assurance and provide the ability to hold the Chief Officer and Chief Finance Officer to account.

Ray Buist noted that the Tracker contains Internal Audit recommendation, wondered where the external Audit recommendations will be held. Ms. Bozkurt noted that there will be a second tracker established for external recommendations.

Stephanie Hume agreed that a second external audit recommendation should be raised. It was noted that once the review is complete Stephanie and colleagues will raise concern if any are outstanding for a significant period of time and whether the action noted then is still applicable or if further advisory section needs to be added along with an appropriate timescale for completion. The Chair welcomed this process.

The Chair thanked Ms. Bozkurt and Mrs. McPhail for the update and welcomes the next version of the report presented at the next meeting.

**Decision: The Committee formally noted the status**

**Action: Update provided at the next meeting.**

**Establish a second tracker to take account of external audit recommendations.**

## 8. PERFORMANCE

### 8.1 Risk Register Review – update

#### 8.1.1 Appendix 1 – IJB Risk Register

#### 8.1.2 Appendix 2 – Previous Risk Register Format

Nick Fayers presented the reports. The following points were noted:

- The existing risk register was handed over to Nick Fayers when he took up the role of Chief Officer.
- Not all of the risks noted were strategic.
- The revised version of the format
- Methodology and the level of risk appetite will need to be discussed by the full IJB
- Noted the risk matrix of severity and the likelihood matrix



- In addition to the risk matrix, it is helpful to understand the most common treatment options when reviewing individual risks:
  - Decrease the risk – this option is the most common, and it includes implementation of safeguards (controls).
  - Avoid the risk – stop performing certain tasks or processes if they incur such risks that are simply too big to mitigate with any other options. This may be an option in certain circumstances, however given the statutory obligations of the IJB this may not be possible.
  - Share the risk – this means transfer of the risk to another party. For certain of the delegated services, it may be possible to adopt a risk sharing approach.
  - Retain the risk – this is the least desirable option, and it means that the board accepts the risk without doing anything about it. This option should be used only if the mitigation cost would be higher than the damage an incident would incur.
- Noted the risk scoring
  - 1-4 Very Low risk
  - 5-8 Low Risk
  - 9-12 Moderate Risk
  - 15-25 – High Risk
- Reviewed the existing risk register containing 11 historic risks and either merging or noting that some are operational reducing these to 5 strategic risk
  - SR1 Failure to plan for strategic change. There are 4 key drivers which impact this risk, namely: capacity, capability, expertise and resource within the H&SCP – score of 20
  - SR2 Workforce. Inability to attract and retain the workforce to deliver delegated services. Key reference to underpinning requirements as determined in the Health and Care Act and 5 Care Standards – score of 20
  - SR3 Increase in demand for services. This is driven by increasing in the aging demographic of the island population and the increase in wider community health debt as a result of COVID-19 score of 12.
  - SR4 Insufficient financial resources in order for the Partnership to deliver its statutory obligations, given the different funding mechanisms of the two parent bodies set alongside the National Spending Review and the previous reliance on reserves to deliver financial balance – score of 16
  - SR5 Organisational, professional and cultural barriers inhibit the ability of the H&SCP and in turn the Board to develop services and deliver on strategic ambition - score of 9.

The Chair raised concern that there has been no formal review by a group or committee before being presented to the Committee.

The Chief Officer indicated that the strategic risks are his perspective on the risks to the IJB as they are not discussed within the ICMT, where the ICMT only review operational risks.

Looking at this, the Chair suggested that there should be a further follow-up discussion to ascertain where the risks could be reviewed before formal agreement or acceptance.

Tim Ingram agreed the need to have a further discussion to look at how we stratify the risks and understand the cause of the risk before being accepted onto the IJB corporate risk register. In reviewing the previous version of the register, and the 11 risks, it is apparent that some of the risks should be acutely managed rather than strategically.

The Chief Officer, Nick Fayers, thanked colleagues for the questions and the points raised, however he wished to express his perspective. A strategic risk is based on the data that is available to him and he endeavours to define the risk and its impact on the IJB. This is his perspective as the Chief Officer. He indicated that it is significantly challenging to purely divorce the operational element from the strategic risk as one drives the other, to an extent. This is also linked to the level of risk appetite and the IJBs willingness to carry a risk. There could be a pathway where the ICMT expertise is used to assess the risk before coming forward, however this needs some discussion.

The Chair noted that the paper is presented for discussion, rather than approval. Further review of establishing the risk, review and then acceptance will be discussed and then brought back to the Committee for further discussion and greater understanding. Perhaps more detail could be provided to support the data on which the judgement is made to give a more rounded understanding, however this can be discussed out with this session.

Nick Fayers acknowledged the support from Tim Ingram in relation to the process and review again in this environment with the input from both external and internal auditors to find a pathway forward.

Michelle McPhail reflected on the previous Internal Audit presentations and comments, specifically from Paul MacAskill at that time, which the IJB should include on its risk register the appropriate risks of the parent bodies that would have a consequential impact on the IJBs ability to deliver on its directions. Posing the question to both Ray Buist and Stephanie Hume.

Ray Buist commented that if the risk register was shared with the ICMT, which would allow Nick Fayers to consider the parent body corporate risks and enable an amalgamation of issues and see if that would directly impact on the IJB. It is also the judgement of the Audit Committee to consider the risk and robustly assess whether the risk is appropriate to ask the IJB to accept.

By the Audit Committee assessing a risk, which has already been assessed and agreed by the ICMT would provide greater assurance that the risk has been assessed appropriately by various individuals and professionals. It was commented that it is more stressing that in providing scrutiny function it is for the Audit Committee to make that judgement and come to an agreement with the Chief Officer as to the issue and its scoring.

The Chair thanked Ray Buist for his professional oversight and confirmation of an appropriate pathway to enable greater understanding via robust review and scrutiny of the risks.

Tim Ingram advised that there needs to be sight of the parent body risks but the risks that the IJB is dealing with will inevitably be separate but it needs to be informed by the parent body risks, obtaining greater oversight of the organisations stability to deliver the required services.

Stephanie Hume commented on the benefit for the IJB to see the relevant risks within the parent body and assess if it's relevant to the IJB. From an auditing perspective to see what impact there is in certain logic reports from a health board have on the IJB and vice versa, providing an understanding for joint working. You have to take the risk appetite into consideration before agreeing to put a risk on the register, with specific consideration as to financial, workforce and clinical appetite. Happy to progress this forward with colleagues.

The Chair thanked colleagues for the robust and hopefully an enlightening conversation.

**Decision:** The Committee formally noted the position / format of the register.

**Action:** Establish a meeting with Tim, Gill, Nick and Stephanie – Nick Fayers

## **8.2 IJB Devolved Service Performance**

### **8.2.1 Appendix 1 – MSG Integration Indicators**

The Chief Officer, Nick Fayers advised that there has been previous discussion on the 6 National Integration Indicators that the IJB has to forward to Scottish Government via the Ministerial Strategic Group for Health and Community Care (MSG). These are intended to provide a view of how Partnerships are progressing against a range of whole system level measures. Early notice has been given that Scottish Government are reviewing the indicators and that they are likely to change during Q3-4.

Separately Public Health Scotland has commissioned a programme of work to develop Whole System Modelling to both measure system performance in addition to being able to model the impact of change in one or more of the system drivers e.g. primary care.

More recently Public Health Scotland (on behalf of Scottish Government) has requested weekly returns focusing on unmet need. A report on this has previously been presented to the Integrated Joint Board.

This report seeks to inform a discussion on which of the indicators the Board and in turn the partnership, seeks to focus on for the remainder of the financial year 2022-23.

Nick Fayers advised of the six indicators as:

1. Emergency admissions
2. Unscheduled hospital bed days
3. A&E performance
4. Delayed discharges
5. End of life care
6. The balance of care across institutional and community services

The IJB needs to consider which of the six indicators should the IJB concentrate on, not dismissing any of them, but providing a greater focus on how we resolve the issue. Sometimes the indicators are simple one aspect of a service delivery rather than multiple strands of one element e.g. mental health's indicator is conversion from A&E to inpatient.

The Chair commented on the proposal which is to concentrate on 3 areas:

1. Emergency admissions
2. Delayed Discharge
3. Unmet need

However, there is concern that there is no mention of mental health, which is part of the MSG indicators and has a high level of support from Scottish Government.

The Chair's personal view is that there are other areas that the IJB needs to concentrate on or have sight of. The performance data is not available for discussion and the last time the report was presented was January 2022, to obtain assurance that the direction of delivery is being met.

Colleagues noted the list but recognised that there are more issues that the IJB is seeking to deliver on but there is little evidence to indicate that either progress is being made towards them or that there is an operational risk which results in the parent body unable to deliver. At no stage has the parent body advised of its inability to deliver on the IJBs strategic directions.

The Chair commented on the Boards strategies and the need to deliver, being on Palliative Care Strategy and Mental Health Strategy, however none of those are part of the suggested monitoring.

Members discussed the level of conversion rate of admission from A&E into in-patient beds and the risk of mental health delivery but also to look at the performance data for the IJBs strategic direction, which may be beyond the MSG indicators but there is a need to have the ability to obtain information beyond the indicators. The Chair and Mr. Fayers can discuss this further.

Mrs McPhail suggested that the Board needs to look at its Strategies, and what specific direction is being given to the parent body who in turn should provide the evidence on its performance to meet that direction. Therefore that would give you the holistic overview of performance and if appropriate linked into the national set of indicators, as well as the additional performance data, if available, to give great level of assurance delivery.

The Chair sincerely appreciated the discussion and the level of debate.

Decision: The Committee formally noted the report.

Action: No actions required.

## **9. FOR INFORMATION**

### **9.1 Audit Scotland reports:**

#### **9.1.1 Local Government Overview**

#### **9.1.2 Personal Protective Equipment**

#### **9.1.3 Community Justice**

#### **9.1.4 Covid19 – Vaccination Programme**

#### **9.1.5 Planning for Skills**

#### **9.1.6 Social Care Briefing**

#### **9.1.7 NHS in Scotland 2021**

#### **9.1.8 Local Government financial overview**

#### **9.1.9 Drug & Alcohol Services**

#### **9.1.10 Scotland's Economy – supporting businesses through pandemic**

#### **9.1.11 Annual Accounts 2021 Western Isles IJB**

#### **9.1.12 Audit Commissioner IJBs Financial Analysis**

Ray Buist advised that the above documents provide detail or some impact on the work of IJBs. Michelle McPhail asked, in going forward, that any new reports which have a correlation to the work of IJBs is raised and advised of the appropriate action that should be taken.

Mr. Buist agreed.

## **10. DATE & TIME OF NEXT MEETING**

Meeting: IJB Audit Committee

Location: Teams

**Time: 1000-1300**  
**Day / Date: To be confirmed**

The Chair brought the meeting to a close at 1.00pm, thanking colleagues for their constructive review and scrutiny of the reports, in a very positive way.

**END**

DRAFT