



**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 Tuesday 18 November 2020 at 3.00pm, via Microsoft Teams

Members:

Ms. Rosemary Bugler	Non-Executive Director, NHS Western Isles
Mr. Hector MacLeod	Chief Executive of Third Sector
Mrs. Gillian McCannon	Non-Executive Director, NHS Western Isles / Vice Chair of IJB Audit Committee
Cllr. Angus Morrison	CnES Councillor / Chair of IJB Audit Committee (Meeting Chair)
Cllr. Paul Steele	CnES Councillor

In Attendance:

Ms. Debbie Bozkurt	Chief Finance Officer, IJB
Mr. Robert Emmott	Director of Finance, CnES
Mr. Paul MacAskill	Chief Internal Auditor, CnES
Mr. Robert MacAskill	Internal Auditor, CnES
Mrs. Michelle McPhail	Business Manager, NHS Western Isles
Mr. Ray Buist	Auditor, Audit Scotland
Mr. Brian Howarth	Audit Audit Scotland

1. WELCOME

The Chair welcomed those attending to the meeting. The Chair also acknowledged that Mrs. McCannon had been appointed as Interim Chair of NHS Western Isles, wishing her well within her new role.

2. APOLOGIES FOR ABSENCE

Mr. David Jamieson	Senior Audit Manager, Audit Scotland
Mr. Angus M Murray	CnES – Union Representative
Mr. Norman MacDonald	Head of Accountancy and Exchequer Services, CnES

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES

4.1 IJB Audit Committee Minutes of 10.06.20

The Minute of the Integration Joint Board Audit Committee held on the 10th June 2020 was approved as an accurate record of the discussion.

Decision: The Committee formally approved the Minutes.

Action: No action required.

4.2 Matters Arising

No issues were raised.

Decision: No decision

Action: No actions required.

4.3 Action Points

The Chair reviewed the action points. As a number of actions are associated with the Chief Officer, recognising that the action needs to be addressed by the Chief Officer.

Mrs. McCannon advised that Mr. Nick Fayers was appointed as the new Chief Officer and will take up his post under employment of NHS Western Isles. He will start mid-January 2021.

The noted the absence of the Risk Register from the agenda. Mrs. McPhail indicated that the Chief Executive of NHS Western Isles, Gordon Jamieson, had reviewed and no changes were update. He requested that the Register is presented at each meeting.

Decision: The Action Points were noted.

Action: Mrs. McPhail to ensure the Risk Register is presented at each meeting.

5. AUDIT AND FINANCIAL GOVERNANCE

5.1 Internal Audit Reports

5.1.1 IJB Progress Report Nov'20

Mr. MacAskill presented the report to Members. Planned follow-up work has been rescheduled as the majority of recommendations had been allocated to the Chief Officer and the post is currently vacant.

Mr. MacAskill indicated that there are two project areas of high risk to the IJB, Barra Community Hub and Goathill Care Home and both could potentially have additional financial revenue consequences.

2 items of review have been undertaken ~ workforce planning and organisational development and Project management of Capital investment and delivery, both presented and on the agenda today.

Decision: The Progress Report was formally noted by Members.

Action: No action necessary.

5.1.2 Project Management of Capital Investment

Chief Internal Auditor, Mr. Paul MacAskill presented the report to Members.

The report indicated that capital expenditure is not part of delegated level to the IJB and that all capital revenue is retained by the parent bodies. Two principle projects, the audit focussed on is the Barra and Vatersay Community Campus and Goathill Care Home development.

Mr. MacAskill made the following recommendations / Action Plan:

- A report be put before the IJB at the earliest opportunity in order to communicate any potential funding issues and to make the Board aware of any required changes to service delivery models as a result of funding gaps identified. – **Grade 1 ~ Critical – responsible officer – Chief Finance Officer.**
- Updates outlining current financial position to be provided as a standing item until the conclusion of each project – **Grade 2 ~ Contingency / Insurable Risk – responsible officer – Chief Finance Officer / Chief Officer.**
- Arrangements be made to communicate key risks to all members of the IJB at each scheduled meeting. In addition in the event of material change occurring out with the planned schedule of meetings, these must be notified to members of the IJB timeously – **Grade 2 ~ Contingency / Insurable Risk - responsible officer – Chief Officer.**
- Project updates be provided as a standing item at each meeting, with reports submitted to the Scottish Government and each of the parent body's committees also considered for circulation to IJB members – **Grade 3 ~ Housekeeping.- responsible officer – Chief Officer.**

Members reviewed and deliberated the report.

Ms. Bozkurt advised that as the Section 95 Officer, accountable for the day-to-day revenue, this has previously been brought to the attention of Mr. Malcolm Burr and Mr. Robert Emmott. Goathill revenue cost increased by over £1m plus dealing with housing for extra care and the different income sources is raising concern.

Members discussed the issue of housing with extra care compared with care home, and remarked that the modelling will cause financial revenue pressure. Ms. Bozkurt remarked on the provision, which is a step down from a Care Home service however it's a more intensive care package and therefore requires more revenue.

Members remarked that with the information provided this should be presented to the IJB for a more in-depth and fuller discussion as the issue is not about support or residential style care but it's about the person and the care they require and family support.

The Chair thanked colleagues for the input into the discussion, advising that this would be an action for the Chief Officer and Chief Financial Officer.

Decision: The report was formally noted.

Action: The report and consequential reports, as noted in the recommendations, should be presented to the IJB in full.

**Debbie Bozkurt
& Chief Officer**

5.1.3 Workforce Planning and Organisational Development

Mr. Robert MacAskill, Internal Auditor presented audit report, highlighting the most significant and specifically noting the following recommendations:

- An integrated workforce plan is implemented with progress on action points communicated regularly to the Board – **Grade 1 – Critical – responsible officer – Chief Officer.**
- Strategic documentation published on the website to be updated with the latest version – **Grade 3 ~ Housekeeping – responsible officer – Chief Officer.**
- Consideration be given to the reinstatement of the HR Forum – **Grade 2 ~ contingency / insurable Risk - responsible officer – Chief Officer.**
- The IJB continues to monitor any risks to service resilience and ability to achieve strategic objectives as a result of the level of vacancies. **Grade 2 ~ contingency / insurable Risk - responsible officer – Chief Officer.**
- Interim risk management lead to be identified with the risk register reviewed on a regular basis and reported as a standing item on the IJB agendas. **Grade 1 – Critical – responsible officer – Chief Officer.**
- The IJB confirms that it is meeting its statutory obligations with regards to the current arrangements in place. **Grade 1 – Critical – responsible officer – CnES Chief Executive.**
- The IJB will need to obtain assurance via progress reports from Senior Officers from both parent bodies as to how work streams are progressing in the absence of a Chief Office in order for it to ascertain whether the strategic plan has been affected. **Grade 2 ~ contingency / insurable Risk - responsible officer – Chief Officer.**
- Strategic Plan and integration scheme to be reviewed. **Grade 2 ~ contingency / insurable Risk - responsible officer – Chief Officer.**

Mr. Robert MacAskill indicated to Members that the Integrated Corporate Management Team encompass workforce issues within the remit of the group, however there needs to be a review of the strategic direction of the workforce, which is responsible to both parent body's, being used to support the delivery of the services under the IJB.

Members discussed the impact of the issue affecting services versus the implementation of the policy, which, as Ms. Bozkurt advised, should be with Scottish Government in March 2021, however with the impact of Covid, this has been rescheduled to March 2022.

Decision: The Report was formally noted by the Committee.

Action: No actions required.

5.2 IJB Annual Accounts 2019/20 Audit Scotland Report

5.2.1 IJB Annual Accounts

5.2.2 Letter of Representation

Mr. Howarth presented the Annual report produced by Audit Scotland. He highlighted the key messages within the report, specifically noting that this was a clean audit.

- **2019/20 annual report and accounts**
 - Unmodified.
 - information submitted on time however it noted the limitations due to the pandemic and remote working.
- **Financial management and sustainability**
 - noted an overspend of £1.6m which was met from reserves.
 - 20/21 budget depends on high-risk savings target.
 - Medium-term financial plan was prepared ahead of the pandemic and will need to be updated.
 - IJB response to Covid-19 is expected to cost £1.6m in 20/21.
- **Governance, Transparency and Best Value**
 - Significant issues including board vacancies, including the Chief Officer post, which has contributed to delays in strategic planning and issues with workforce planning.
 - Arrangements around risk management, transparency and demonstrating Best Value are insufficient.
 - Internal performance report is effective, but external performance reporting has been affected by Covid-19.
 - Covid-19 measures had a significant positive impact on occupied bed day performance.

Mr. Howarth indicated that even though the IJB was overspent by £1.6m, he did indicate that the IJB had one of the largest reserves in all IJB within Scotland.

Mr. Howarth considered the challenges placed upon the IJB in light of the need for transformational change in service delivery and processes, but all against the backdrop of a pandemic.

The Chair thanked Mr. Howarth for the report.

Ms. Bozkurt provided a detailed explanation, around the Annual Accounts item 5.2.1, as to the £1.6m overspend which was a transfer to reserves and not an operational costs.

The level of reserves was noted in the Annual Accounts, totalling £4.169k.

Members reflected over the reports noting that in 19/20 a number of areas spent less, given the pandemic, however the pressures seen previously are still present in year 21/22 and 22/23 as any transformational change will require time to establish.

Mr. Howarth clarified points raised as the revenue position is wide across councils and IJB's and should not be taken as a comparison as many partnerships have proportional expenses.

Mrs. McCannon enquired as the current position with residential care home and obtaining residential charging and recouping of money. Mr. Emmott advised that there has been some delays in getting the funding, however processing new applicants don't have to wait. He emphasised that this is no longer an area of concern.

The Chair thanked everyone for their input into the discussion.

Decision: The Committee formally approved the Annual Report and Annual Accounts.

Action: No actions required.

6. DATE & TIME OF NEXT MEETING

Meeting: IJB Audit Committee

Location: Teams

Time: 1000-1300

Day / Date: ~~Wed 12.02.20~~

Wed 10.06.20

**Wed 09.09.20-cxl – dated moved to 11.11.20 due to Audit Scotland
presenting the IJB Annual Accounts**

Wed 02.12.20

The meeting ended at 4.00pm, the Chair thanking everyone for their contribution to the discussion. He indicated that as this meeting took place on 18.11.20, he asked members for agreement to cancel the scheduled meeting in December, to which Members agreed to.

Mrs. McPhail advised that the next meeting would take place in February 2021.