



**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 07 July 2022 at 9.30am, via Microsoft Teams

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

Members:

Gillian McCannon	Chair, NHS Western Isles / IJB Chair and 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
Elizabeth Young	Internal Auditor, Azets

1. CORPORATE GOVERNANCE

1.1 IJB Audit Committee Membership

Mrs. McPhail advised that the Membership was presented to the Integration Joint Board on the 30th of June 2022, however at that time the Comhairle had not indicated which voting members from the Comhairle would sit on the Audit Committee.

Mrs. McPhail confirmed that Cllr. Donald MacSween and Cllr. Susan Thomson have accepted the role as members of the IJB Audit Committee and formally welcomed them to the meeting. It was noted that Cllr. Thomson would take on the role of vice-chair of the Audit Committee at the point of transfer at the end of August 2022.

Mrs. McPhail also took the opportunity of advising the Committee that Angus Murray, CnES Union Representative has left the Comhairle and she is awaiting confirmation of the new representative who will sit on the IJB and potentially sit on the Audit Committee.

Confirmation was obtained that Ray Buist is the External Auditor for Audit Scotland and, depending upon the outcome of the Committee discussion at item 2, Stephanie Hume and Elizabeth Young would take on the role of the Committee's Internal Auditors from Azets.

Mrs. McPhail advised the Chair that the meeting was quorate as representation of Members on the Committee is two from NHS and 2 from the Comhairle with a quorate level of 1 and 1.

1.2 Appointment of Internal Auditors – Azets

Ms. Bozkurt as the IJB Chief Finance Officer and Section 95 Officer, advised the Committee on the position of Internal Auditing function.

The Comhairle has lost its two senior Auditors, Mr. Paul MacAskill and Mr. Robert MacAskill. They provided the IJB with Internal Auditing function, however the Comhairle are seeking to appoint to the vacancies. The Comhairle provide the IJB with auditing services and in light of their current situation, Azets have been appointed by the Comhairle to provide the IJB with its auditing supporting.

Ms. Bozkurt introduced Elizabeth Young as the Chief Internal Auditor and Stephanie Hume as the Senior Audit Manager of Azets. It was noted that the IJB is required to have Internal Auditors appointed, which is required and in line with our Financial Standards. Ms. Bozkurt advised that both Auditors also provide NHS Western Isles with its Internal Auditing Function.

The Chair thanked Ms. Bozkurt. Colleagues introduced themselves to Ms. Young and Ms. Hume, as well as the newly appointed Comhairle Members.

2. WELCOME

The Chair welcomed everyone to the meeting.

The Chair wished to acknowledge and extended her thanks and the thanks of the Committee to Cllr. Angus Morrison, who was the previous Chair of the Audit Committee. Cllr. Morrison, was re-elected in the recent local council elections but has not been reappointed to the IJB.

The Chair expressed her and the Committees thanks to Mr. Paul MacAskill, Council Senior Auditor for his professional and personal support of the Integration Joint Board since its inauguration. Mr. MacAskill left the Council in June 2022.

The Chair recorded the thanks of the Committee to Mr. Angus M Murray, CnES Union Representative, who has left the Council.

The Chair wished to welcome Elizabeth Young and Stephanie Hume to the meeting, as newly appointed Internal Auditors, Azets.

3. APOLOGIES FOR ABSENCE

Carolyn MacPhee	Chair, Third Sector Interface – Western Isles
David Jamieson	Senior Audit Manager, Audit Scotland
Tim Ingram	Non-Executive Director NHS Western Isles

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. MINUTES

5.1 IJB Audit Committee Minutes of 09 February 2022

Minute of the Integration Joint Board Audit Committee held on the 09 February 2022 was approved as an accurate record of the discussion.

Decision: The Committee formally approved the Minutes of 09 February 2022

Action: No action required.

5.2 Matters Arising

Mrs. McCannon raised:

Page 3, item 4.2 – pertaining to Workforce and Demographic paper being presented to the Outer Hebrides Community Planning Partnership. Mrs. McCannon updated colleagues advising that the report was presented, with robust discussion taking place. The agreement was that the paper would be presented to the OHCPP Executive Board. It was hoped that the outcome of that discussion would be made to the IJB Chair.

Mr. Fayers indicated that he has established conversations with Scottish Government colleagues to raise the concerns around the challenges that the island is facing in relation to available employable workforce, which is also noted on the IJB corporate risk register. This is not something that the island can fix but will need support from the Scottish Government.

Page 5, item 5.1.2 – Consultation, Participation and Engagement ~ Mrs. McCannon advised that the Scottish Government has paused the work due to the pandemic, however this has now been removed and work will be advanced.

Decision: The Committee formally noted the updates.

Action: No actions required.

5.3 Action Points

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

12.01.22 – 5.2 – Barra and Vatersay Community Campus ~ during the discussion in January Members noted the need to obtain an update on dental position. This was presented to the IJB in February. **REMOVE**

12.01.22 – 5.1 – Goathill Project Update – Arrange site visit ~ Iain MacKinnon and Dan MacPhail advised at the time we tried to co-ordinate the visit with all members diaries to enable one collective visit, however the timing was not conducive as there were site visits. It was noted that this will be raised with Mr. MacPhail to ascertain availability to enable a visit to go ahead.

Mrs. McPhail agreed to pursue this once again for all IJB members. **ACTION**

12.01.22 – 5.1 – Goathill Project Update – on the agenda for noting. **REMOVE**

12.01.22 – 5.3 – Timetable 2022 ~ workplan and timetable will be presented in August along with a detailed workplan for the IJB being presented at the end of August 2022. **UPDATE**

12.01.22 – 5.3 Timetable 2022 ~ It was noted during the discussion that the review of the Corporate Support, provided by both parent bodies to the IJB would be reviewed and presented to the full IJB at the end of August 2022. **UPDATE**

09.02.22 – 4.2 – Matters Arising – relating to staff exit interview ~ Mrs. McPhail indicated that Cllr, Morrison indicated, prior to his departure from the IJB, that he asked Comhairle colleagues for this information however it was not forthcoming but it was unclear if this exit interviews are conducted or if this information is collated.

Mr. Fayers would follow up on this with the Comhairle HR lead – **ACTION**.

Cllr. MacSween indicated that in his previous employment with the Comhairle he has never undertaken an exit interview, therefore perhaps there is no process.

Ms. Young, Azets, was asked if this could be something that as Internal Audit could support a review as to how the IJB gets a consolidated report of its workforce to enable effective delivery of its devolved services. It would be possible to ascertain information provided and review the processes if required by the IJB.

The Chair indicated that this would be an overview to obtain assurance to the IJB and not an operational detail review. Ms Bozkurt indicated that this was not part of the initial audit plan however this could be reflected and could be supporting an additional few days but she would take this to Tim Langley to obtain agreement.

Ms. Bozkurt would follow up on this. - **ACTION**

UPDATE

09.02.22- 4.2 – Matters Arising – staff survey ~ Mrs. McPhail advised that Mr. Malcolm Burr has provided a copy of the staff survey, however she was clarifying if

this information was in the public domain and therefore we could present to the IJB at its public meeting as well as an Executive Summary from Mr. Burr.

Members indicated that it would be valuable to this information to be presented to ascertain if there are specific issues within social care services that could be supported. Present to the IJB Audit Committee and the IJB. **UPDATE**

09.02.22 – 4.2 – Matters Arising – Dental Report ~ it was noted that an update was presented to the IJB in February. **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.

6. AUDIT AND FINANCIAL GOVERNANCE

6.1 Draft IJB Annual Accounts 2021/22

Ms. Bozkurt advised that the draft Annual Accounts has been presented to the full IJB in June and approved. Ms. Bozkurt confirmed that the approved and assessed Annual Accounts will be submitted to the IJB Audit Committee and the IJB in November 2022.

Mr. Buist discussed the recently circulated Audit Scotland Annual Plan for 22/23 for information. To enable colleagues to review and if they had any questions these could be collated by Michelle McPhail and forward to Ray Buist.

Mr. Buist confirmed that the IJB accounts are assessed in relation to both the NHS Western Isles accounts, which have been completed and the Comhairle annual accounts which has a deadline for completion in October 2022.

The Chair thanked Ms. Bozkurt for her and her extended teams for the creation and submission of the Annual Accounts.

Decision: The Committee formally noted the Annual Accounts.

Action: Questions in relation to Audit Scotland Annual Plan, should be circulated to Michelle McPhail by 22nd of July IJB Members

Circulation of the collated questions to be submitted to Ray Buist by close of July 2022. Michelle McPhail

6.2 Final Internal Audit Report 2021/22

Ms. Bozkurt presented the IJB Internal Audit Annual Report and Assurance Statement to the IJB Audit Committee, on behalf of Paul MacAskill, who was then the Chief Internal Auditor for Comhairle nan Eilean Siar.

Members' attention was drawn to sections of the report which indicated the points made by Mr. MacAskill. In Section 4 of the report, relating to Conclusions, Exceptions and Observations Mr. MacAskill raises concern of the Audit Committee in light of having no auditing function, given his departure. As discussed this has been actioned and Azets are formally appointed to the Audit Committee as Internal Auditors.

Two significant capital development in progress. One relating to capital development of the Goathill Care Complex. It is noted that the workforce required to support the opening needs to increase by 31 new staff to enable the opening of the homecare side but a further 59 people are required to be employed to enable the full complex to open. This is in addition to the 40+ current vacancies within social care/home care awaiting appointment.

The other significant capital development relates to Barra and Vatersay Community Campus.

Ms. Bozkurt advised that non-recurring money has been identified to open the facility but, to be clear, other than the original double running costs, there is no money in the budget to recruit from high cost agency staff, so if unable to recruit we cannot open the facilities safely.

In the report, Mr. MacAskill notes the ability to sustain services, Section 5.4, but also raised concern relating to "unmet" need. A formal report was presented to the IJB in July indicating the level of unmet need from those clients assessed but currently not receiving support and those waiting for assessment, which equates to approximately 1300 hours per week of unmet need.

Ms. Bozkurt indicated that within the report it states the need to look at recruitment and how the IJB, in conjunction with parent bodies, should pro-actively look at different methods of attracting people into posts as well as attracting new people to the islands.

Colleagues' attention was drawn to Section 4.8 of the report, it assesses the risks associated with the Barra and Vatersay Community Campus and the significant gap of £3.8m, at that time, to deliver a combined health, social care, education, police and other services within one footprint. The challenge before this development could be similar to those of Goathill Care Complex, with a staffing levels available to support the opening of the facilities. Ms. Bozkurt advised that currently there is no anticipation of a large increase in staff required but there will or could be issues as currently the NHS is challenged in appointing to qualified nurses within St.

Brendan's. There is a level of uncertainty as to the workforce available within the area in 5 or 6 years-time when the complex may be ready to open.

At Section 4.10 of the report, raises the need to review the Scheme of Integration. Ms. Bozkurt advised that work is underway on completing this. It also refers to Risk Management, which needs to be improved and takes cognisance of the issues within both parent bodies. Mr. Fayers is reviewing the IJB risk register, in respect of management and how the information is presented. Mr. Fayers will provide a further update later in the agenda.

Ms. Bozkurt summarised that Section 4.1 through to 4.13 provides the Chief Internal Auditors view of the IJB and the challenges that it faces.

The Chair thanked Ms. Bozkurt for the report, expressing her thanks to Mr. MacAskill. She advised that Cllr. MacSween and Cllr. Thomson may wish to obtain greater understanding of the issues around Goathill in relation to residential and client safety.

The Chair indicated that the Committee needs to take cognisance of the issues being raised in relation to Barra and Vatersay Community Campus, which is a ground breaking complex, if the final business case is approved by Scottish Government. The outline business case had been presented to the Capital Investment Group and awaiting feedback.

The Chair reiterated that the IJB is a strategic body and work collectively to support the required outcomes but it can only operate within its financial envelope, funding being provided by the NHS and Comhairle, to deliver the required services and ensure performance is appropriate with the correct level of staffing available to delivery services safely. However it was noted that if the salary costs for the Goathill Complex additional staff, is not forthcoming from the Comhairle then the service cannot open.

Cllr. MacSween declared an interest indicating that he is the Comhairle representative on the Hebridean Housing Partnership and the Vice-Chair of the Social Care and Social Work Committee within the Comhairle. This subject was recently noted by within each organisation but the issue they were discussing related to if and when recruitment can be made where they would live, given the lack of available accommodation to rent or buy. Further to the discussion today, he has obtained a level of understanding of the challenges being experienced by different agencies to assist in collective resolution.

Ms. Bozkurt reflected on the discussion raising the matter of potentially enticing people from the mainland to take up posts with a remuneration of approximately £11.00per hour for residential/home care workers. Members agreed that people will not move from their mainland home to the island for this hourly rate. The Comhairle need to find a way of increasing the pay or incorporate other enhancements.

Cllr. MacSween acknowledged the concerns being raised, as there is already inward migration from rural areas into Stornoway as a result of the cost of transportation as well as facilities and amenity provisions. He noted the difference in pay and enhancement provision for those doing similar roles between the NHS and the Comhairle.

Mrs. McPhail proposed of holding an awareness sessions for newly appointed IJB members with the current Chair, Nick Fayers and Debbie Bozkurt. To expand on their understanding of issues. This was agreed.

The Chair thanked colleagues for the detailed and robust discussion.

Decision: The Committee formally noted the report.

Action: Establish awareness session for newly appointed IJB members with the current Chair, Nick Fayers and Debbie Bozkurt. Michelle McPhail

6.3 Azets Audit Plan 2022/23

The Internal Audit Plan was presented for approval. Ms. Elizabeth Young indicating that Azets work closely with the NHS Boards within the Highlands and Islands as well as with the six IJBs within Glasgow, so they are fully briefed on the national challenges facing partners.

The Plan was drawn together in conjunction with Ms. Bozkurt and Tim Langley from the Comhairle and includes areas for review which is cross referenced from the Risk Register.

The Plan denotes that 30 days of input will be provided by Azets, distributed by staff mix, 3 days from partner/directors; 8 days input from manager and 21 days from Auditors.

Ms. Hume took colleagues through the report and the areas of audits that will be undertaken:

- Strategic Planning,
- Performance Management, and
- Management in relation to preparation of the plan, committee planning and attendance, contract management

The development of annual audit report, as well as follow-up on compliance and review of management action implementation will be assessed.

Ms. Young indicated that a discussion with Ms. Bozkurt and Mr. Langley would be required to amend the existing plan to secure appropriate review of workforce issues across parent bodies.

Ms. Bozkurt advised that the intention is to take a strategic review of the recruitment and retention issues and not an operational review, as this would be for the Comhairle to undertake, if they so wished.

Ms. Bozkurt requested that the audit on Strategic Planning is retained as this covers the issues which were not fully supported during the pandemic. The other areas noted in the current plan can be discussed to revise and incorporate the recruitment and retention overview.

Decision: The Committee formally approved the Plan subject to further discussion with Ms. Bozkurt & Mr. Langley on the review to accommodate an audit on strategic recruitment and retention.

Action: Audit review to be undertaken by Ms. Bozkurt and Mr. Langley.

6.4 Internal Audit Recommendation Status – Audit Recommendation Tracker

Ms. Bozkurt gave a verbal update on how the Audit Committee will assess its historical audit outcomes and recommendations.

It was noted that an Audit Recommendation Tracker will be established indicating previous audits and recommendations and the status of implementation. The intention is to present the quarterly status report to the Audit Committee. This will be completed by Ms. Bozkurt and Mrs. McPhail.

The Chair thanked Ms. Bozkurt for the recommendation.

Decision: The Committee approved the verbal way forward.

Action: Report to be presented at the August meeting of the Audit Committee.
D. Bozkurt and M. McPhail

7. STRATEGIC GOVERNANCE

7.1 Goathill Project Update – standing item

The Chief Officer, Nick Fayers, provided members with a verbal update on the position of the Goathill Care Complex.

Mr. Fayers indicated that Ms. Bozkurt has provided an update on Goathill during discussion during the meeting. He reflected on the points raised including the funding allocation identified to support the opening of the care home and the allocation for “voids”, which takes account of the lost income Hebridean Housing Partnership would experience from the possible inability to open the Housing with Extra Care facility due to staffing vacancies.

The lack of funding available to support the appointment of agency staff was reiterated, as well as the impact on the opening of the complex in light of the Comhairle's inability to attract and appoint to the 31 posts plus 59 posts, was recognised as a significant risk.

The Chief Officer recalled the IJB's decision in December 2021, in relation to Goathill, where the opening of the facility would only take place if patients/clients could be safely transitioned from the current facility into the new complex, which is dependent upon the appropriate financial resources being forwarded to the IJB and that the required number of staff are appointed to ensure that people are treated safely and are held in a safe environment.

The Comhairle has undertaken a recruitment exercise, which has resulted in interest coming from the exiting workforce within the Comhairle who are employed under bank or supportive zero based contracts. There are very few new expressions of interest coming forward.

Ms. Bozkurt advised, for the purpose of the new Committee members, the rationale as to why 31 new posts are required to enable the facility to open, is due to the number of clients being transitioned over are being held in two separate buildings and therefore additional staff are required to ensure the safety of people within each building. The main building is constructed in a cross shape which means that additional staff are required to have "direct line of site" for safety reasons. This will become clear when the site visit is arranged.

Decision: The Committee formally noted the verbal update.

Action: No actions required.

7.2 Barra and Vatersay Community Campus – standing item

Mr. Fayers, Chief Officer, advised that the development is a significant capital investment on Barra. The campus will incorporate, one footprint, the services including health, social care, police and education. This would be a new development in Scotland and will be financially supporting in part by the Scottish Government.

By the end of July 2022, stage one will be completed with the outline of the design and plan being submitted to the Capital Investment Group, Scottish Government. Consultation on the design is out for review and accessible via the Comhairle's website. There has been extensive engagement throughout the phase of design, however some sessions were held virtually during the pandemic.

The risk to the project, denoted by Iain MacKinnon within the Comhairle, is around market volatility, prices of materials and construction workforce and supply to an isolated location and logistic challenge to deliver.

The other risk noted relates to the need to acquire crofting land, which is being addressed legally and via the crofting commission.

The Capital Investment Group is required to approve and sign off on the completion of phase one of the development and approve the next phase.

The Chair indicated that given the financial pressures on the public purse, due to and prior to the pandemic, all developments will be under greater scrutiny and review.

Decision: The Committee formally noted the verbal update

Action: No actions required

28.22

8. PERFORMANCE

8.1 Risk Register Review – update

Mr. Fayers verbally advise of a review of the current risk register, with support of a risk consultant. The review is assessing the management of risks but not the rationale for the risk being recorded, as well as how the information is presented in the report and the Boards risk appetite. Mr. Fayers will share this information with Azets.

The format will be presented to the fuller IJB at the end of August 2022. A development session is scheduled to be held to review and obtain greater understanding of the risk and what level of risk appetite should be attributed to each risk.

The Chair requested that the risk register and performance is a standing items on the agenda, presented quarterly. Colleagues agreed.

Decision: The Committee noted the verbal update

Action: Np actions required.

The Chair reflected on the discussion, acknowledging that some issues have been discussed and members aware, however newly appointed members will need time to fully comprehend the matters.

Cllr. Thomson considered today's discussion and enquired about how and where issues are escalated given they are not within the gift to be resolved by the IJB.

Mr. Fayers advised that escalation of concern is raised with Scottish Government colleagues and such a meeting is scheduled to take place early next month, looking at island issues e.g. migration and lack of working age population.

It was noted that the Outer Hebrides Community Planning Partnership is a principle lead in identifying and assisting in resolving island issues, including population.

Elizabeth Young advised that within the NHS, Board members are ministerial appointments and escalation can be made directly to the Minister by the Chair if it is felt that there is no engagement with SG colleagues.

It was noted that within both the collective NHS Board Chairs and within the private sessions with the Cabinet Secretary for Health and Social Care, the Chair consistently raises the issues facing the Board and the IJB and the need for island infrastructure review.

9. DATE & TIME OF NEXT MEETING

Meeting: IJB Audit Committee
Location: Teams
Time: 1000-1300
Day / Date: 10.08.22

The Chair brought the meeting to a close at 11.33am, thanking colleagues for their constructive review and scrutiny of the reports, in a very positive way.

END