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AUDIT AND SCRUTINY COMMITTEE MONDAY, 14 MAY 2018

A MEETING of the AUDIT AND SCRUTINY COMMITTEE will be held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS, NEWTOWN ST BOSWELLS on MONDAY, 14 MAY 2018 at 10.15 am.

A Members Seminar on ‘Managing Risk within the Council’ will be held at 9.30 a.m. prior to the main meeting. The main focus will be an overview of the Council’s Risk Management arrangements, including processes and practices, that are important and integral parts of effective governance and crucial to the achievement of outcomes. The role of elected Members in ensuring that risk is considered and addressed as part of all decision making activities will be explained as will the specific oversight role of the Audit and Scrutiny Committee to “Assess the adequacy and effectiveness of the Council’s risk management arrangements”.

J. J. WILKINSON,
Clerk to the Council,
4 May 2018

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declarations of Interest.	
AUDIT BUSINESS		
4.	Minute and Action Tracker (a) Minute (Pages 5 - 8) Minute of Meeting of the Audit and Scrutiny Committee held on 19 April 2018 to be approved and signed by the Chairman. (Copy attached.) (b) Action Tracker (Pages 9 -12) Consider updated Action Tracker.	15 mins
5.	Risk Management in Services Presentation by Service Director Children and Young People on the strategic and operational risks facing the Service and the internal controls and	30 mins

	governance in place to manage / mitigate those risks to demonstrate how risk management is embedded within services. (Verbal presentation)	
6.	<p>Internal Audit Work to March 2018 (Pages 13 - 24)</p> <p>Consider a report by Chief Officer Audit & Risk on findings from recent work carried out by Internal Audit to complete the Internal Audit Annual Plan 2017/18, including the recommended audit actions agreed by Management to improve internal controls and governance arrangements. (Copy attached)</p>	10 mins
7.	<p>Risk Management Annual Report 2017/18 (Pages 25 - 40)</p> <p>Consider report by Chief Officer Audit and Risk on progress made to deliver the Council's Risk Management Strategy 2015 including an update on agreed Improvement Actions to refine the risk management arrangements at the Council to ensure their on-going effectiveness. Also consider the revised Risk Management Policy Statement and Strategy for the next three years, for review and scrutiny prior to Council approval. (Copies attached.)</p>	15 mins
8.	<p>Counter Fraud Annual Report 2017/18 (Pages 41 - 54)</p> <p>Consider report by Chief Officer Audit & Risk on the Council's counter fraud responsibilities and the progress made to deliver the Council's Counter Fraud Strategy 2015 including an update on improvement actions to refine the arrangements to tackling fraud at the Council. Also consider the revised Counter Fraud Policy and Strategy for the next three years, for review and scrutiny prior to Council approval. (Copies attached)</p>	15 mins
9.	<p>Internal Audit Annual Assurance Report 2017/18 (Pages 55 - 66)</p> <p>Consider report by Chief Officer Audit & Risk on the annual assurance and audit opinion to Management and Audit and Scrutiny Committee arising from Internal Audit activity in completing the Internal Audit Annual Plan 2017/18. (Copy attached)</p>	20 mins
10.	<p>Scottish Borders Council Annual Governance Statement 2017/18 and Local Code of Corporate Governance (Pages 67 - 92)</p> <p>Consider report and draft Annual Governance Statement 2017/18 by the Chief Executive for inclusion in Scottish Borders Council's Statement of Accounts 2017/18. Also consider the revised Local Code of Corporate Governance to ensure it reflects the Council's changing context, for review and scrutiny prior to Council approval. (Copies attached.)</p>	15 mins
11.	<p>Scottish Borders Council Local Scrutiny Plan 2018/19 (Pages 93 - 116)</p> <p>Consider the local scrutiny plan by Audit Scotland which sets out the planned scrutiny activity in Scottish Borders Council during 2018/19. The plan is based on a shared risk assessment undertaken by a local area network, comprising representatives of all of the main scrutiny and inspection bodies who engage with the Council. The National Scrutiny Plan for 2018/19 and Map also published in April 2018 provide the national context of planned scrutiny. (Copies attached)</p>	20 mins
12.	Any Other Audit Items Previously Circulated.	
13.	Any Other Audit Items which the Chairman Decides are Urgent.	

SCRUTINY BUSINESS		
14.	<p>Health and Social Care Integration (Pages 117 - 176)</p> <p>Presentation by Chief Officer Health and Social Care Integration to provide Members with a greater understanding on how the Health and Social Care Integration Joint Board is delivering its Strategic Plan to improve the lives of Borderers and meet the growth demands in the Care Sector.</p>	30 mins
15.	Any Other Scrutiny Items Previously Circulated.	
16.	Any Other Scrutiny Items which the Chairman Decides are Urgent.	

NOTES

1. **Timings given above are only indicative and not intended to inhibit Members' discussions.**
2. **Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.**

Membership of Committee:- Councillors S. Bell (Chairman), H. Anderson, K. Chapman, J. A. Fullarton, S. Hamilton, N. Richards, H. Scott, R. Tatler and E. Thornton-Nicol.
Mr M. Middlemiss

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**SCOTTISH BORDERS COUNCIL
AUDIT AND SCRUTINY COMMITTEE**

MINUTES of Meeting of the AUDIT AND SCRUTINY COMMITTEE held in Council Chamber, Council Headquarters, Newtown St Boswells on Thursday, 19 April 2018 at 10.00 am

Present:- Councillors S. Bell (Chairman), H. Anderson, K. Chapman, J. A. Fullarton, S. Hamilton, R. Tatler and E. Thornton-Nicol.
Also Present:- Councillor C Hamilton
Apologies:- Councillor N Richards and H Scott.
In Attendance:- Service Director Assets and Infrastructure, Service Director Children and Young People, Democratic Services Team Leader, Democratic Services Officer (J Turnbull).

1. WELCOME AND INTRODUCTIONS

The Chairman welcomed those present to the meeting.

2. MINUTE.

There had been circulated copies of the Minute of 19 March 2018.

DECISION

APPROVED the Minutes for signature by the Chairman.

3. COMMUNITY ACCESS TO SCHOOLS

3.1 With reference to paragraph 2 of the Minute of 30 November 2017, the Chairman welcomed Mr Martin Joyce – Service Director Assets and Infrastructure, Ms Donna Manson – Service Director Children and Young People and Mr John Gray – Cleaning and Facilities Manager, who were in attendance to give a briefing on Community Access to Schools.

3.2 Mr Joyce began by advising the Committee that there was no formal policy in relation to community access to schools, each school's access arrangements being managed on an ad hoc basis. He explained that with regard to the new Peebles High School, out of school hours management had been transferred to Live Borders and, subject to discussion with Trade Unions, it was the intention that Live Borders would also manage Kelso High School and the new Jedburgh School on a similar basis. With regard to the remainder of the school estate, requests for extended opening hours were honoured, if possible, and officers were considering formulating a policy to rationalise the process across the entire school estate. Mr Joyce further advised that the majority of the Council's capital was invested in the educational estate and that the Council could not continue to maintain the existing number of community buildings. He stressed that this might mean changes to opening times and access to services in order to utilise the school estate more efficiently. In response to concerns regarding Live Borders' management of school facilities, Mr Joyce explained that Live Borders' expertise would be used to increase sports, healthy living, and wellbeing initiatives within communities and maximise the use of resources. Their booking system would also be improved with the introduction of a centralised booking system. The Council were also considering introducing a consistent charging policy and would be examining the financial viability of sustaining historical free lets.

3.3 The Committee discussed management of community schools in other areas and their aspirations for community schools in the Scottish Borders. Ms Manson advised that, in

terms of the new Jedburgh School, community groups would be involved in decisions regarding the facilities offered at the school. She also confirmed that there would be an automatic locking mechanism in place when community groups accessed the school during core hours to ensure child safety.

- 3.4 It was noted that several schools were already used by community groups, for example St Ronan's Primary School in Innerleithen. Whereas, others schools such as Peebles High School and Clovenfords Primary School were not. The Committee considered that there should be a consistent approach and best practice guidance provided to schools. It was also requested that community schools displayed clear directional signage and appropriate lighting to facilitate community accessibility.
- 3.5 Mr Gray then referred to the janitorial service, explaining that there were three types of janitor roles – static, peripatetic and relief. There were 75 static janitors who were employed in all High Schools and schools with over 175 pupils. The peripatetic janitors, of which there were four, covered 50% of the school estate. They visited each school once a week; this would increase to three visits per week with the appointment of four additional peripatetic janitors. There were also relief janitors who covered absences, sickness and annual leave. Mr Gray went on to explain that janitors' duties included security, portage, maintenance, cleaning, managing lets and winter watch. He also provided details of the Council's Cleaning Academy which provided an accredited course for janitors and cleaners. Ms Manson added that in schools where there was no permanent janitor, there was local arrangements in place, for example, cleaning staff opening schools. These roles would continue to be developed to ensure the best use of school resources.
- 3.6 The Committee agreed that a scoping paper, covering the work planned over the next three years, be brought back for consideration in autumn 2018. The paper to provide clarity in terms of identifying which schools were classified as community schools, accessibility, letting and service arrangements. It was also agreed that a consistent charging policy be investigated, whilst noting some of the challenges around this. Consultation should also be carried out with local communities and it was suggested the Area Partnerships might be a suitable forum. The Chairman thanked officers for their attendance and briefing.

DECISION

AGREED to request a scoping paper on community access to schools be brought back to Scrutiny Committee in the autumn. The paper, covering a three year period, to include details of which schools were categorised as community schools, accessibility, letting, service arrangements and charging policy.

4. HOME SCHOOLING UPDATE

- 4.1 Ms Donna Manson - Service Director Children and Young People and Ms Michelle Strong - Chief Officer Education, were in attendance to give an update on legislative and guidance changes to home schooling within the Scottish Borders. The Chairman, referring to the Private Minute of 16 February 2017, gave the context to the request. Ms Manson began by explaining the current legislation, which had been circulated with the Agenda, remained in force. Home schooling was a priority area for the Council and included in the discussions on the mental and emotional health of young people. National tracking of mental and emotional health was being introduced but Scottish Borders was already taking action in this area and had carried out pupil and staff surveys.
- 4.2 Ms Manson went on to advise that within the Scottish Borders, there were 50 families who home schooled their children (20 primary and 30 secondary) of which eight were being flexi-schooled (seven primary and one secondary). 34% of those children lived out with a town or village, with the number of home educated pupils remaining stable over the last four years. Approximately 30 requests for home schooling were received each year, of those six to eight withdrew their request following engagement with the family. Ms

Manson then referred to the limited action available in terms of legislation. She highlighted that the Council did not have the right or duty to visit the home, see the child, check parents' qualifications, ensure the curriculum was adequate, see samples of work, monitor home education or make an annual enquiry. The same legislation only required parents to respond to informal enquiries by the Council. There was no parental duty to equip premises, cover the school curriculum, work to age specific attainment standards, provide lessons or peer group socialisation.

- 4.3 Ms Strong continued that there were clear challenges and discussed the ways in which the Council's approach was continually improving - reaching out to families whilst respecting their decision to home school. The Council were raising awareness of emotional wellbeing, helping young people gain confidence; developing coping strategies and ensuring schools provided a nurturing, learning environment. Part of this included increased engagement with a range of partners to join up all approaches around the child. Another factor was improving public perception by promoting successes and measuring the impact of actions to ensure schools were the best they could be. In terms of progress, in 2017/2018 the Council had increased flexi-schooling, offered support, when appropriate for accessing qualifications/college, IT, activities and the Education Maintenance Allowance. Ms Strong went on to explain that the majority of home schooling requests were linked to children with anxiety and she highlighted initiatives to raise awareness of the child's emotional and social needs, including, training, investment in a helpline, online support and working with Stable Life. Policies would continue to develop in 2018/2019 with partnership working focused on mental and emotional health improvements, innovation, participation and vulnerable families' early intervention. Ms Manson then referred to continuing risks and referred to the work of the Emergency Planning Officer to raise awareness of radicalisation. Partnership working with health professionals was also ongoing to engage with families regarding the immunisation programme. To conclude the presentation, Ms Strong advised that any requests for Home Schooling, where there was a child protection concern, would be refused.
- 4.4 Discussion followed and Members raised a number of questions. In response, officers advised that the secondary school equivalent of the Leader Valley School, would be the new Jedburgh School, there would also be enhanced level of provision provided in other schools. Clarification around the Section 37 Order was also provided and it was suggested that a range of scripts be available to assist Members with enquiries. With regard to Pupil Equity Funding (PEF) it was explained that this was based on free school meal entitlement and therefore home schooled children were not eligible. However, this would be included as feedback in a reply to a survey on PEF. Regarding a question by the Learning Disability Champion on the number of home schooled children with additional needs, Ms Manson would advise out with the meeting.
- 4.5 It was noted that Ms Manson would meet with the Executive Member for Children and Young People, the Learning Disability Champion and the Children and Young People Champion to discuss future engagement with partner organisations. The Committee agreed that home schooling should be monitored annually providing a summary of the number of requests, how many pupils remained in school, how many were flexi-schooled and the split between primary and secondary schools, and, that in future, this monitoring role be referred to Executive Committee. It was further agreed that a briefing on home schooling should be provided for all Members. The Chairman thanked Ms Manson and Ms Strong for their attendance and detailed presentation.

DECISION

- # (a) **AGREED to RECOMMEND that Executive (Education) Committee review home schooling on an annual basis.**
- (b) **AGREED that all Members receive a briefing on home schooling.**

The meeting concluded at 11.55 am

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SCOTTISH BORDERS COUNCIL

ACTION SHEET MASTER COPY

AUDIT and SCRUTINY COMMITTEE 2017/18

Notes:-

1. Paragraphs Marked with a * require full Council approval before action can be taken
2. Items for which no actions are required are not included

TITLE	DECISION REQUIRING ACTION	DEPARTMENT/ SECTION	RESPONSIBLE OFFICER	DATE EMAILED to Responsible Officer or Outcome
28 June 2017				
Reporting & Scrutiny: Why The Accounts Matter	(b) AGREED that the Committee would use the questions in Appendix 1 of the report as a checklist when considering the Final Accounts at the September meeting.	Audit & Risk	Chief Officer Audit & Risk	Completed.
Scottish Borders Council's Local Code Of Corporate Governance	<p>(a) AGREED TO RECOMMEND that Scottish Borders Council:-</p> <p>(i) approves the revised Scottish Borders Council Local Code of Corporate Governance as detailed in Appendix 1 to the Minute; and</p> <p>(ii) approves the revised Scottish Borders Council Local Code of Corporate Governance being relaunched to ensure greater awareness across the Council.</p> <p>(b) AGREED:-</p> <p>(i) to request that the Chief Executive and Service Directors consider compliance with the Scottish Borders Council Local Code of Corporate Governance as part of the annual assurance statements on internal control and governance and implement actions to ensure full compliance to the elements of the Code; and</p> <p>(ii) that a presentation on the Scottish Borders Council Local Code of Corporate Governance be arranged for all Elected Members in due course.</p>	Audit & Risk	Chief Officer Audit & Risk	<p>Completed - Audit and Scrutiny Committee Minute 28 June 2017 presented to Council on 24 August 2017 with * items for approval. Completed – Council approved on 24 August 2017.</p> <p>Further reminder will be incorporated within Briefing Note on Governance Annual Assurance Process 2017/18 to CMT Spring18</p> <p>Presentation has been compiled though date tbc</p>

TITLE	DECISION REQUIRING ACTION	DEPARTMENT/ SECTION	RESPONSIBLE OFFICER	DATE EMAILED to Responsible Officer or Outcome
28 August 2017				
Call in: Union Chain Bridge	<p>(a) AGREED to RECOMMEND to the Executive Committee:</p> <p>(i) with regard to its decision on 15 August 2017 to increase the financial commitment to the Union Chain Bridge Project by £450k, the following wording be added ‘subject to the other sources of funding being available’;</p> <p>(ii) that a report be provided to the Executive Committee in April 2018 with the outcome of the HLF application, with options and timescales for the project with an enhanced focus on historical objectives, and should the bid fail, the report would contain fully costed alternatives, recognising the historical focus for the Bridge and its use as a road asset if possible;</p> <p>(iii) to instruct the Service Director Assets & Infrastructure to write to Northumberland County Council confirming the governance arrangements for the project and that in future joint reports be prepared for both Councils for future decision making;</p> <p>(iv) that Members be given access to risk registers for capital projects, as appropriate; and</p> <p>(v) that Officers should be encouraged to seek other sources of funding for the Union Chain Bridge project.</p>		Clerk to the Council/ Service Director Assets & Infrastructure.	<p>(i) Completed. Executive Committee of 5 September 2017, congratulated Audit and Scrutiny for investigating in a thorough manner and recommendations were approved in full.</p> <p>(ii) Report scheduled for Executive 21 May 2018.</p> <p>(iii) Completed 2.04.18</p> <p>(iv) Will be covered at 14 May 2018 meeting as part of the scheduled item on Risk Management Annual Report 2017/18, Risk Management Policy and Strategy during which management and Elected Members roles and responsibilities will be discussed.</p> <p>Completed.</p>

TITLE	DECISION REQUIRING ACTION	DEPARTMENT/ SECTION	RESPONSIBLE OFFICER	DATE EMAILED to Responsible Officer or Outcome
25 September 2017				
Risk Management in Services.	AGREED to request the Chief Officer Audit and Risk circulate the schedule of forthcoming presentation to Members.		Chief Officer Audit & Risk	Completed.
Internal Audit to August 2017	AGREED to request the Service Director Assets and Infrastructure present a report to the Audit and Scrutiny Committee advising the corrective action in place to address the issues identified in the Fleet Management workforce plan.		Service Director Assets & Infrastructure	Ongoing - report back to Audit on 26 June 2018 tbc.
13 November 2017				
External Membership of Audit and Scrutiny Committee	DECISION AGREED that the appointment of external members to the Audit and Scrutiny Committee be considered at the next meeting of the Committee.		Chief Officer Audit & Risk	Ongoing, recruitment soon to commence for appointment in October 2018.
Mid-term Treasury Management Report	AGREED that the Mid-Year Treasury Management Report 2017/18, as detailed in the Appendix to the report, be presented to Council for approval of the revised indicators.		Chief Financial Officer	Completed – 21 December 2017.
15 January 2018				
Internal Audit Work to December 2017	AGREED to request the Chief Executive consult with LIVE Borders regarding a possible amendment to the Scheme of Administration to include LIVE Borders within the monitoring role of the Major Contracts Governance Group and following this consultation that a report be submitted to Council to approve this amendment.		Clerk to the Council	14 February 2018 Being considered by Chief Executive.
Audit of Housing Benefit – Risk Assessment Report	AGREED TO RECOMMEND to the Executive Committee that they consider reviewing Key Performance Indicators for the Housing Benefit service as part of their regular review of performance.		Clerk to the Council	Completed. Executive Committee approved on 14 February 2018.

TITLE	DECISION REQUIRING ACTION	DEPARTMENT/ SECTION	RESPONSIBLE OFFICER	DATE EMAILED to Responsible Officer or Outcome
Local Government in Scotland – Financial Overview 2016/17	AGREED TO RECOMMEND to Council that the report be publicised to members and to invite them to utilise the Scrutiny Tool for Councillors to help them better understand the Council's financial position and to scrutinise financial performance.		Clerk to the Council/Chief Officer Audit & Risk	Completed. Council 30 January 2018 / Audit and Scrutiny Committee 19 March 2018 carried out self-assessment using Scrutiny Tool
19 March 2018				
Internal Audit Work to February 2018	AGREED (i) to request the Chief Executive consider a possible amendment to the Scheme of Administration to include CGI within the monitoring role of the Major Contracts Governance Group and following this consultation a report be submitted to Council to approve this amendment; and (ii) that future meetings, considering Audit business, to include an action tracker, for information.		Clerk to the Council	11 April 2018 Being considered by Chief Executive. Completed.
19 April 2018				
Community Access to Schools	AGREED to DECISION AGREED to request a scoping paper on community access to schools be brought back to Scrutiny Committee in the autumn. The paper, covering a three year period, to include details of which school were categorised as community schools, accessibility, letting, service arrangements and charging policy. ????		Service Director Asset and Infrastructure	3 May 2018
Home Schooling	AGREED to RECOMMEND that Executive (Education) Committee review home schooling on an annual basis. AGREED to request a briefing for all Members on the home schooling.		Clerk to the Council Service Director Children & Young People	3 May 2018 3 May 2018

INTERNAL AUDIT WORK TO MARCH 2018

Report by Chief Officer Audit and Risk

AUDIT AND SCRUTINY COMMITTEE

14 May 2018

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide members of the Audit and Scrutiny Committee with details of the recent work carried out by Internal Audit and the recommended audit actions agreed by Management to improve internal controls and governance arrangements.**
- 1.2 The work Internal Audit has carried out in the period from 24 February to 31 March 2018 to deliver the Internal Audit Annual Plan 2017/18 is detailed in this report. During this period a total of 3 Final Internal Audit Reports have been issued. There were 18 recommendations made associated with 1 of the reports which have been accepted by Management for implementation. These relate to the Business World ERP System Key Internal Controls review which was an integration of 4 audits as part of our Financial Governance assurance work. The implementation of the new Business World ERP system and administrative processes was a significant change for the Council which went live from April 2017 for HR, Payroll, Procurement and Finance Management (replacing four long-established Legacy systems with one integrated ERP system, though eight Legacy feeder systems remain live (including those for road contracts, fleet, property, income management) requiring a degree of operational workaround and manual reconciliation due to lack of interfaces. The project was the largest system and business process change ever undertaken by the Council requiring the assistance of specialist technical implementation team of external consultants in addition to significant Council staff resource. The system is extremely complicated and demanding on project resource and time, and a balance has been achieved between business as usual and project development and implementation. External Auditors, Audit Scotland, will place reliance on this Internal Audit work.
- 1.3 An Executive Summary of the final Internal Audit reports issued, including audit objective, findings, good practice, recommendations (where appropriate) and the Chief Officer Audit and Risk's independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, is shown in Appendix 1 to this report.
- 1.4 The SBC Internal Audit function conforms to the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) including the production of this report to communicate the results of the reviews.

2 RECOMMENDATIONS

2.1 I recommend that the Audit and Scrutiny Committee:

- (a) Notes the final assurance reports issued in the period from 24 February to 31 March 2018 associated with the delivery of the approved Internal Audit Annual Plan 2017/18; and**
- (b) Acknowledges the assurance provided on internal controls and governance arrangements in place for the areas covered by this Internal Audit work.**

3 PROGRESS REPORT

- 3.1 The Internal Audit Annual Plan 2017/18 was approved by the Audit and Risk Committee on 28 March 2017. Internal Audit has carried out the following work in the period from 24 February to 31 March 2018 to deliver the Plan to meet its objective of providing an opinion on the efficacy of the Council's risk management, internal control and governance.
- 3.2 The SBC Internal Audit function conforms to the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) including the production of this report to communicate the results of the reviews.

Internal Audit Reports

- 3.3 Internal Audit issued final assurance reports on the following subjects:
- Grants incl. Following the Public Pound
 - Business World ERP System Key Internal Controls (incorporating Procure to Pay, Sales to Cash, Payroll, and Record to Report)
 - Community Safety
- 3.4 An Executive Summary of the final Internal Audit assurance reports issued, including audit objective, findings, good practice and recommendations (where appropriate), and the Chief Officer Audit and Risk's independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, is shown in Appendix 1.

The definitions for Internal Audit assurance categories are as follows:

Level	Definition
Comprehensive assurance	Sound risk, control, and governance systems are in place. These should be effective in mitigating risks to the achievement of objectives. Some improvements in a few, relatively minor, areas may be required.
Substantial assurance	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or misuse.
Limited assurance	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses, or uncertainties, which could undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or misuse.
No assurance	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or misuse is unacceptable. Significant improvements are required.

Recommendations

- 3.5 Recommendations in reports are suggested changes to existing procedures or processes to improve the controls or to introduce controls where none exist. The grading of each recommendation reflects the risk assessment of non-implementation, being the product of the likelihood of the risk materialising and its impact:

Priority 1: Significant weaknesses in existing controls, leaving the Council or Service open to error, fraud, financial loss or reputational damage, where the risk is sufficiently high to require immediate action within one month of formally raising the issue. Senior Management to add to relevant Risk Register and include in relevant Assurance Statement.
Priority 2: Substantial weaknesses in existing controls, leaving the Council or Service open to medium risk of error, fraud, financial loss or reputational damage requiring reasonably urgent action within three months of formally raising the issue.
Priority 3: Moderate weaknesses in existing controls, leaving the Council or Service open to low risk of error, fraud, financial loss or reputational damage requiring action within six months of formally raising the issue to improve efficiency, effectiveness and economy of operations or which otherwise require to be brought to the attention of Senior Management.
Outwith the report, Internal Audit informs operational managers about other matters as part of continuous improvement.

- 3.6 The table below summarises the number of Internal Audit recommendations made during 2017/18:

	2017/18 Number of Recs
Priority 1	0
Priority 2	8
Priority 3	10
Sub-total reported this period	18
Previously reported	24
Total	42
Recommendations agreed with action plan	42
Not agreed; risk accepted	0
Total	42

4 IMPLICATIONS

4.1 Financial

There are no costs attached to any of the recommendations in this report.

4.2 Risk and Mitigations

- The Objectives of Internal Audit are set out in its Charter. "As part of Scottish Borders Council's system of corporate governance, Internal Audit's purpose is to support the Council in its activities designed to achieve its declared objectives." Specifically as "a contribution to the Council's corporate management of risk."
- Key components of the audit planning process include a clear understanding of the Council's functions, associated risks, and potential range and breadth of audit areas for inclusion within the plan. During the development of the Internal Audit Annual Plan 2017/18, to capture potential areas of risk and uncertainty more fully, key stakeholders have been consulted and risk registers have been considered.
- If audit recommendations are not implemented, there is a greater risk of financial loss and/or reduced operational efficiency and effectiveness, and Management may not be able to demonstrate improvement in internal control and governance arrangements, and effective management of risks.

4.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religious/belief arising from the work contained in this report.

4.4 Acting Sustainably

There are no direct economic, social or environmental issues in this report.

4.5 Carbon Management

No direct carbon emissions impacts arise as a result of this report.

4.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

4.7 Changes to Scheme of Administration or Scheme of Delegation

No changes are required as a result of this report.

5 CONSULTATION

- 5.1 The Executive/Service Directors relevant to the Internal Audit reports issued have signed off the relevant Executive Summary within Appendix 1.
- 5.2 The Chief Financial Officer has been consulted on this report and any comments received have been incorporated into the report.

Approved by

Jill Stacey, Chief Officer Audit and Risk Signature

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit and Risk Tel 01835 825036

Background Papers: Appropriate Internal Audit files

Previous Minute Reference: Audit and Scrutiny Committee 19 March 2018

Note – You can get this document on tape, in Braille, large print and various computer formats by using the contact details below. Information on other language translations can also be given as well as provision of additional copies.

Contact us at Internal Audit intaudit@scotborders.gov.uk

Report	Summary of key findings and recommendations	Recommendations			Status
		1	2	3	
<p>Audit Plan Category: Financial Governance</p> <p>Subject: Grants including Following the Public Pound</p> <p>No: 004/003</p> <p>Date issued: 4 May 2018</p> <p>Level of Assurance: Substantial</p>	<p>The purpose of this assurance audit was to follow-up on progress with implementation of previous Recommendations including the update of the Following the Public Pound code of practice, and the Grants Review Project in support of securing best value.</p> <p>Two of the agreed actions were progressed at the time of the previous audit (i.e. reconciling the master Grants Received Register and Grants Disbursed Register to FIS). The rectification work on Business World ERP system since its roll out in April 2017 has been the main focus of much business activity and resources, both officers and consultants. The Finance Service has undergone a restructure which has further delayed the work to progress the remaining Recommendations.</p> <p>A Discussion Paper by the Communities & Partnership Manager, responsible for the Grants Review, has been prepared for presentation to Corporate Management Team with proposals relating to the future management and administration of community grants.</p> <p>Internal Audit considers that the level of assurance we are able to give is substantial. Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement. These include: continued development of Business World ERP system functionality to enable a complete and transparent overview of all grants received and disbursed and the ability to link them back to source funding; progress of work planned for update of Following the Public Pound/Best Value Policy Statement and Grants and Distributions procedures that will enable compliance monitoring; and progress of proposed developments to the administration of grants that are intended to enhance and simplify the customer experience, provide meaningful Management Information for analysis and decision making, and ensure equitable opportunity for communities to make grant applications across the Scottish Borders area.</p>	0	0	0	Management have accepted the report findings and continue to progress the improvement actions.

Report	Summary of key findings and recommendations	Recommendations			Status
		1	2	3	
<p>Audit Plan Category: Financial Governance</p> <p>Subject: Business World ERP System Key Internal Controls (incorporating Procure to Pay, Sales to Cash, Payroll, and Record to Report)</p> <p>No: 073/001</p> <p>Date issued: 4 May 2018</p> <p>Level of Assurance for the specific areas tested:</p> <ul style="list-style-type: none"> • Procure to Pay – Limited (GL07 and Role Profiles); Substantial for other areas tested • Sales to Cash – Substantial • Payroll – Substantial • Record to Report – Substantial • System Roles / User Access – Limited • Systems Documentation and Training Materials post “go live” – Limited 	<p>This Business World ERP System Key Internal Controls review was an integration of 4 audits as part of our Financial Governance assurance work included within our Internal Audit Annual Plan 2017/18 relating to the workstreams: Procure to Pay; Sales to Cash; Payroll; and Record to Report.</p> <p>The Council has replaced its older legacy systems with an integrated Enterprise Resource Planning (ERP) solution, Business World, for HR, Finance and Procurement processes designed to reduce duplication in processing and data handling. The successful implementation of Business World is one of the cornerstones by which the Council seeks to achieve transformational change in the way that it operates. The introduction of the Business World ERP system is extremely complicated and demanding on project resource and time, and a balance has been achieved between business as usual (for example, payroll payments being processed on time and supplier payments being made) and project development and implementation. This complexity and the timescales within which introduction was required has led to the implementation being assessed as high inherent risk requiring frequent Internal Audit reviews over the next few years.</p> <p>The purpose of the review was to test the end to end processes and internal controls in place which are intended to:</p> <ul style="list-style-type: none"> • ensure complete and accurate processing of transactions with suppliers and customers; • ensure complete and accurate processing of payments to current and former employees; and • record transactions and payments in an appropriate manner for the purposes of budgetary control and financial reporting. <p>This audit was intended to satisfy three objectives: to provide Management with assurance on the operation of the Business World system; to contribute towards the production of the Internal Audit annual assurance opinion; and to supplement the work undertaken by Audit Scotland in the external audit process.</p>	0	3	2	P2P
		0	0	2	S2C
		0	0	1	PAY
		0	3	5	R2R
		0	2	0	All Modules
					Management have accepted the report findings, and have confirmed that plans are in place to implement areas of improvement within reasonable timescales though reflecting the challenge that limited resources and complexity will have on progress of these improvement actions.
					Internal Audit will support the implementation of recommendations in its ‘critical friend’ role.

Report	Summary of key findings and recommendations	Recommendations			Status
		1	2	3	
<p>Subject: Business World ERP System Key Internal Controls (incorporating Procure to Pay, Sales to Cash, Payroll, and Record to Report)</p> <p>(Cont'd)</p>	<p>Initial tests within Business World concerned Data Migration from the Council's legacy systems at implementation. This was generally robustly undertaken though some issues were addressed and our checks confirmed that data was correctly migrated.</p> <p>Our work was then carried out in two stages. During the first stage we tested processes and internal controls in place during the period April 2017 to November 2017. In the second stage of our work we covered the period December 2017 to the end of the 2017/18 financial year in order to confirm that controls continue to operate as previously assessed and additionally to review any changes to processes or controls during the second period in recognition of the ongoing Rectification Plan being delivered by CGI.</p> <p>The Business World Masterfile records (Supplier, Customer, Employee) contain financial and personal data and it is essential that any changes to Masterfile records in terms of creation, amendment or deletion are tightly controlled and restrictions around access are applied. Substantive testing of these indicated that Masterfile amendments were processed by officers with positions expected to undertake those tasks and those changes are generally supported by appropriate documentation.</p> <p>Audit trails of amendments made to Masterfile records in Business World can be produced and our review of the audit trails for Procure to Pay and Sales to Cash revealed some limitations in their functionality.</p> <p>The testing of transactional processing evidences that valid transactions are being accurately and correctly recorded, but weaknesses in internal controls create vulnerabilities making processes susceptible to error or fraud.</p>				

Report	Summary of key findings and recommendations	Recommendations			Status
		1	2	3	
<p>Subject: Business World ERP System Key Internal Controls (incorporating Procure to Pay, Sales to Cash, Payroll, and Record to Report)</p> <p>(Cont'd)</p>	<p>Our review of the GL07 payment process, which was created to facilitate making payments to non-supplier/non-payroll individuals and businesses, highlights particular areas of concern; specifically, the lack of workflow and systems-based authorisation, and the inability to distinguish GL07 transactions in General Ledger from other P2P payments.</p> <p>At present we consider that sufficient functionality currently exists within the Record to Report module to broadly achieve its objectives; however, weaknesses in controls and authorisations could undermine the accuracy of information contained with the General Ledger and subsequent reporting.</p> <p>Role separation has been designed and implemented to provide an appropriate separation of duties. It is not easy to ascertain that the configuration of the role profiles fully ensures this in every instance. We understand that a role review is currently underway but until this role review is completed we can only give limited assurance in this area.</p> <p>Changes to the configuration of the Business World system since implementation means that the Solution Design Documents do not accurately reflect the way the system now operates and therefore training materials may be out of date. If systems processes are not documented and/or staff are not adequately trained in their operation, processing may not be efficient and errors may occur. Therefore we have made recommendations accordingly concerning system documentation and training.</p> <p>Financial Regulations, Policies and Procedures require review and updating to ensure they reflect current practices.</p> <p>Some modules within BW are currently not operational, such as the Asset Register, therefore we did not carry out any review of this. The legacy Asset Register provided through the Techforge system is being used for the remainder of 2017/18 including the statutory accounting process; this provides a low risk alternative ahead of transfer to Business World in 2018/19. We have also not reviewed the operation of Commitment Accounting.</p>				

Report	Summary of key findings and recommendations	Recommendations			Status
		1	2	3	
<p>Subject: Business World ERP System Key Internal Controls (incorporating Procure to Pay, Sales to Cash, Payroll, and Record to Report)</p> <p>(Cont'd)</p>	<p>We made the following recommendations:</p> <p><u>Procure to Pay</u></p> <ul style="list-style-type: none"> Processes for recording workflow should be amended such that subsequent changes to records do not overwrite workflow recorded arising from earlier changes to the same Masterfile record. (P2) The processes in place in respect of GL07 payments require urgent reconsideration such that they are sufficient to enforce the Councils' "No order, no payment" policy and financial authorisation limits in accordance with the Scheme of Delegation. (P2) Except in special circumstances invoices should be processed through the workflow process. (P2) Officers should be reminded of the importance of promptly receipting goods and services received. (P3) Officers should be reminded that orders should be raised for goods and services via official Business World orders and not retrospectively in order to facilitate supplier payment. (P3) <p><u>Sales to Cash</u></p> <ul style="list-style-type: none"> Managers should ensure that invoices are raised in a more timely manner to ensure that the Council receives its income for goods and services that have been provided. (P3) Where a credit note does not detail sufficient information, then the officer authorising the credit note should request this information prior to authorisation in order to confirm that the credit note is appropriate and accurate. (P3) <p><u>Payroll</u></p> <ul style="list-style-type: none"> A compliance exercise should be run to validate the existence of employees and confirm they are actively employed. (P3) 				<p>The first 3 P2P recs are systems based whereas the final 2 are operational processes.</p> <p>The 2 S2C recs are operational processes.</p> <p>The PAY rec is an operational process.</p>

Report	Summary of key findings and recommendations	Recommendations			Status
		1	2	3	
<p>Subject: Business World ERP System Key Internal Controls (incorporating Procure to Pay, Sales to Cash, Payroll, and Record to Report)</p> <p>(Cont'd)</p>	<p><u>Record to Report</u></p> <ul style="list-style-type: none"> • Journals which are not presently processed through workflow should be subjected to system enforced separation of duties and authorisation controls. Ideally this would be achieved by resolving issues with the workflow that presently prevent this from happening. (P3) • Problems with the Planner module which prevent virements to the capital budget being processed within Business World should be resolved. Capital budget virements which have been manually recognised should be input into Business World. (P3) • Problems preventing the correct operation of the bank reconciliation module in Business World should be resolved to permit automation of the Bank Reconciliation process. (P2) • Reconciliations of uploads from feeder systems should be independently and periodically reviewed by Management. (P2) • All journals should be supported by appropriate documentation. (P3) • Periodic agreement should be undertaken between control account balances in the trial balance and total account balances according to the aged creditors and aged debtors reports. (P2) • Balances on suspense accounts should be regularly reviewed, promptly cleared and independently monitored. (P3) • Now that Bank Reconciliations have been brought up to date they should be produced timeously and subject to independent review by a Senior Officer. (P3) <p><u>All Modules</u></p> <ul style="list-style-type: none"> • A review of the available (or other) Audit Logs should be carried out to ensure all transactions are listed and enable regular review. (P2) • Comprehensive systems documentation and training materials for all modules should be produced and Training materials should be updated and periodically reviewed. (P2) 				<p>The first 3 R2R recs are systems based whereas the final 5 are operational processes.</p> <p>The first All Module rec is systems based and the second is operational processes.</p>

Report	Summary of key findings and recommendations	Recommendations			Status
		1	2	3	
<p>Audit Plan Category: Internal Controls</p> <p>Subject: Community Safety</p> <p>No: 216/008</p> <p>Date issued: 30 April 2018</p> <p>Level of Assurance: Substantial</p>	<p>The purpose of this assurance audit was to evaluate partnership working within Community Safety to ensure responsibilities and accountabilities of partners are clearly defined and to ensure funds are used effectively and economically for the intended purpose to meet local priorities. Specifically, a review of controls in place for the effective and sustainable delivery of Domestic Abuse services and use of resources.</p> <p>The Safer Communities team have responsibility for Community Justice, Anti-Social Behaviour, and Domestic Abuse. The majority of funding for the Domestic Abuse service has been secured through grant applications, such as Big Lottery, and Scottish Government. However, the service has been informed there will be no future grants available. This leaves a funding shortfall from 2020. Following delivery of a paper to Corporate Management Team (CMT) which highlighted this issue, a decision was taken that all options should be considered for future funding and a paper outlining them presented to CMT. This has been slightly overtaken by the Public Protection agenda which is now considering which elements of the Safer Communities activities sit within their remit. The deadline for this work is October 2018.</p> <p>The Domestic Abuse service is led by a very experienced member of staff who has been instrumental in gaining the grant funding in the past. She in turn is supported by a team of Advocates who are equally as passionate about their work.</p> <p>Internal Audit considers that the level of assurance we are able to give is substantial. Largely satisfactory risk, control, and governance systems are in place. The scope for improvement relates to the funding shortfall from 2020 for the Domestic Abuse service though progress is being made to address this to support the national strategy 'Equally Safe' and Government guidance on Violence Against Women Partnerships. We have made no recommendations.</p>	0	0	0	Management have accepted the report findings

RISK MANAGEMENT ANNUAL REPORT 2017/18**Report by Chief Officer Audit & Risk****AUDIT AND SCRUTINY COMMITTEE****14 May 2018**

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide Members with an overview of Scottish Borders Council's responsibilities in respect of risk management and the progress made to deliver the Council's Risk Management Strategy (approved by Council in February 2016).**
- 1.2 Effective Risk Management is one of the foundations of effective Corporate Governance and is recognised as such in the Council's Local Code of Corporate Governance. Compliance with the principles of sound Corporate Governance requires the Council to adopt a coherent approach to the management of risks that it faces every day. Better and more assured risk management will bring many benefits to the Council and the people it serves.
- 1.3 Part of the Audit and Scrutiny Committee's role (Audit function) is to scrutinise the framework of internal financial control, risk management and governance throughout the Council to ensure its adequacy.
- 1.4 The findings of the Risk Management review undertaken during 2014 were endorsed by the Audit and Risk Committee in January 2015, to refine the risk management arrangements at the Council to ensure their on-going effectiveness. A report on the status of recommended improvement actions has been presented each year; the most recent 2016/17 was presented to the Audit and Risk Committee in March 2017.
- 1.5 The Council continues to refine its approach to Risk Management and embed these key aspects into the management practices of the Council, as shown within this report which outlines progress made during 2017/18.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee**
 - a) Acknowledges that it is satisfied with the progress of the improvement actions to refine the arrangements for managing risks at the Council to ensure their on-going effectiveness;**
 - b) Considers whether any further action is required; and**
 - c) Endorses the revised Risk Management Policy Statement (Appendix 1) and Strategy 2018 (Appendix 2) for full Council approval.**

3 BACKGROUND

- 3.1 Effective Risk Management is one of the foundations of effective Corporate Governance and is recognised as such in the Council's Local Code of Corporate Governance (approved by Council, May 2016). Compliance with the principles of sound corporate governance requires the Council to adopt a coherent approach to the management of the risks that it faces every day. Common sense serves to underline the message that better and more assured risk management will bring many benefits to the Council and the people it serves.
- 3.2 The findings of the Corporate Risk Management Review undertaken during 2014 were endorsed by the Audit and Risk Committee in January 2015. In summary, it concluded that although risk management arrangements were in place they were not fully embedded within the business planning and performance management, monitoring and reporting processes.
- 3.3 Management continue to be advised and supported by a central specialist support resource, 1 FTE Corporate Risk Officer post within the Audit & Risk service, to fulfil their responsibilities for managing risk. The Corporate Risk Officer provides professional advice and support and maintains an overview of risk management across the Council to ensure systems of identification, evaluation and management of key risks facing the Council continue to be robust. These include: scheduling and facilitation of risk reviews; provision of guidelines; refresh on risk management practices during risk workshops; and delivery of Risk Management training for managers within the Corporate Training Programme.
- 3.4 Part of the Audit and Scrutiny Committee's role (Audit function) is to scrutinise the framework of internal financial control, risk management and governance throughout the Council to ensure its adequacy. A report on the status of recommended improvement actions has been presented each year; the most recent 2016/17 was presented to the Audit and Risk Committee in March 2017.

4 STATUS OF RISK MANAGEMENT ACTIVITY 2017/18

- 4.1 The risk management landscape is dynamic and as the Council, in common with other local authorities, increasingly moves towards partnerships and alternative delivery models, the spectrum of risks that the Council is exposed to also increases.
- 4.2 Examples are set out below of specific work carried out by the Corporate Risk Officer with relevant Managers in 2017/18 outlining further progress towards embedding a risk management culture within management working practices.

Revised Risk Management Policy

- 4.3 The Corporate Risk Management Policy Statement (approved by Council in February 2015; revised in March 2018 for approval – Appendix 1) sets out the Council's systematic approach to the identification, evaluation and effective management of the risks it faces every day, including roles and responsibilities. The Policy states that it shall be reviewed annually and accordingly is presented for endorsement by the Audit and Scrutiny Committee for full Council approval.

Revised Risk Management Strategy, Procedures and Guidelines

- 4.4 The Corporate Risk Management Strategy (approved by Council in February 2016; revised in March 2018 for approval – Appendix 2) sets out the arrangements for applying the risk management policy in practice, building

on the foundation of existing risk management arrangements and adding value by aligning risk management to the business planning and performance management processes. Again, in line with the Risk Management Policy, the Strategy shall be reviewed annually and accordingly is presented for endorsement by the Audit and Scrutiny Committee for full Council approval. Guidelines, Templates and Prompt Lists are updated, as appropriate, and published on the Intranet for Managers to use.

Risk Management alignment with Business Planning

- 4.5 The Corporate risk register and all service risk registers are held in Pentana Performance Management System (formerly Covalent). Whilst the risk registers are reviewed on a quarterly basis, there is still a gap in linking them to the business plans. If a risk is to be treated further, then mitigating actions should be assigned to the relevant risk within this system so Managers have an overview of all KPI's, actions and risks in one place. If the Risk Management framework and strategy is to work to full efficacy then the use of Pentana system should be encouraged (enforced) for all Services.

Contracts and Commissioned Services

- 4.6 Internal Audit have identified that the lack of a contract management framework may leave the Council vulnerable to risks from not having a robust system of monitoring and review in place. The Council recognise that outsourcing services through contracts and commissioned services does not remove the statutory obligation and therefore the consequences of any failure of these arrangements. The Council agreed to establish a Contract Management Framework Working Group to devise a Contract Management Framework. The first meeting of the Group took place on 26 March 2018 and continue to meet on a monthly basis.
- 4.7 Risk management advisory and support services are provided to SB Cares, Live Borders and the Scottish Borders Health and Social Care Integration Joint Board using the same systematic approach as part of their respective business or strategic planning processes:
- 4.7.1 SB Cares has a strategic risk register which is regularly reviewed by the Senior Management Team and presented to their Board every quarter. The risk register was most recently presented to the SB Cares Board on 23 April 2018.
 - 4.7.2 Live Borders are subject to a contractual obligation to the Council to have proper risk management processes in place. After the new Trust was formed Live Borders were undertaking this internally but they have recently requested that the Council's Corporate Risk Officer facilitates risk workshops to identify Directorate-level Risk Registers and the review of the Strategic Risk Register. Three directorate workshops have now taken place and draft Risk Registers are with Live Borders Management for approval. The Strategic Risk Register was reviewed on 27 April 2018.
 - 4.7.3 The Corporate Risk Officer is currently working with the Chief Officer of the Scottish Borders Health and Social Care Integration Joint Board (IJB) and Senior Managers to refresh the IJB Strategic Risk Register in line with the strategic aims of the Board.
 - 4.7.4 A Risk Register has been developed for the ICT contract with CGI and has been assigned to the Interim Head of IT.

New and Emerging Risks

- 4.8 The General Data Protection Regulation (GDPR) comes into force in May 2018. Risks have been identified and managed on multifarious levels throughout the Council. The Audit and Scrutiny Committee should be assured that strategic Information Governance risks are being appropriately managed Corporately and through the Information Governance Group who own and oversee a strategic risk register. The GDPR project has appropriate governance and risk registers in place and the Council recognises that the new legislation will require support of all Senior Management to ensure that staff undertake the necessary work to ensure compliance for May 2018.

Risk Management Training Programme

- 4.9 The Risk Management training for Managers within the Corporate Training Programme is supported by Senior Management. The Course was reviewed once again in April 2018 to refresh the content and keep it relevant to the dynamic environment faced by SBC. There is an increased focus on risk management within programmes, projects and decision making. The Course Objectives are: Understand why the management of risk is an essential part of management responsibilities; Understand how managing risks is fundamental to business plan/programme/project/strategy/decision making; Be able to identify risks to achieving objectives and to put actions in place to mitigate these risks; and Understand how risks are analysed, assessed, recorded and monitored in the Council.
- 4.10 As of March 2018, there have been 25 training events to date delivered by the Corporate Risk Officer, with 8 events during 2017/18. These have been attended by 182 managers and staff, and positive feedback was received. Training course dates continue to be scheduled in 2018 on a quarterly basis to ensure that all relevant Managers and those involved with delivering programmes and projects undertake this training.

Facilitated Risk Management Workshops, Use of Pentana and Standardisation of Risk Reporting

- 4.11 The Council has a standard risk management process with risk registers at Corporate and Service levels uploaded to Pentana (formerly Covalent), the Council's performance management system. Risk registers have been developed for all Service areas. Risks are formally reviewed with the Risk Owner and the relevant Management Team on a quarterly basis, and Pentana is updated to reflect this. From April 2018 Service Directors will receive a risk management status report on a quarterly basis to ensure appropriate oversight.
- 4.12 Improved Pentana system functionality has provided the opportunity for Service Managers to monitor their Business Plan Actions, Performance Indicators, Risks and Audit Actions through dedicated portals, creating a valuable management information tool that needs to be fully exploited to its best use. All Portals are now set up and include Risk Registers for Directorates or Services.
- 4.13 In addition to the workshops detailed at Section 4.7, facilitated Risk workshops also take place to develop risk registers as requested relating to projects and programmes, and joint working and partnership arrangements. For example:
- Following risk workshops, the GDPR project has a risk register in place to ensure that risks are managed appropriately and escalated to the Information Governance Group for oversight as necessary.

- Refresh of the Social Work Strategic Risk Register to ensure that risks are identified and managed appropriately at this level.
 - Workshops with Children and Young People management to ensure risk registers are managed and reviewed.
- 4.14 As described in the revised Risk Management Policy Statement 2018, the Corporate Risk Officer now comments on the Risk and Mitigations section of Committee reports to ensure that decision makers are cognisant of the risks associated with the proposals/decisions to be taken. This has proved to be very successful with positive feedback from report authors. It also further embeds risk management practice into the Council's decision making methodology.
- 4.15 Risk Management update reporting is now delivered to CMT every quarter since January 2018 following the annual risk review to ensure appropriate oversight and understanding of the corporate risks. This has proved successful with positive feedback and engagement from Service Directors. Risk update reports are now being rolled out to Service Directors on a quarterly basis and presented at Senior Management Team meetings.

Risk Management Roles and Responsibilities

- 4.16 Management have the primary responsibility to systematically identify, analyse, evaluate, control and monitor risks that potentially endanger or have a detrimental effect upon the achievement of the Council's objectives and its people, property, reputation and financial stability whether through core service delivery or through a programme of change.
- 4.17 During 2017/18 various Service Directors representing the diverse range of Council services have made presentations to the Audit and Scrutiny Committee at each of their meetings on the strategic risks facing their services and the internal controls and governance in place to manage / mitigate those risks to demonstrate how risk management is embedded within services. This approach has provided the opportunity to the Elected and External Members of the Committee as part of their oversight remit to gain a fuller understanding of how Management are discharging their risk management responsibilities in practice and to enable them to hold Management to account on the application of the Corporate Risk Management Policy.

Conclusion

- 4.18 The above demonstrates that the management of risks is being embedded and is recognised as an essential part of management practice above and beyond the business planning remit. It is becoming an essential part of decision making and should help to ensure that decisions are taken and risks are fully understood. Risk management is moving away from solely being a process to being an essential part of management activities which is the key objective of the Corporate Risk Management Policy.

5 RISK MANAGEMENT NEXT STEPS 2018/19

- 5.1 The Corporate Risk Officer will continue to support Senior Management to embed a risk management culture into the day to day operation of the Council and its decision making.
- 5.2 Elected Members are encouraged to seek out the Risk and Mitigation section of Committee reports that they are asked to approve. Challenge is welcomed to ensure that the Elected Members are satisfied that the risks to the decisions they are being asked to make are fully considered and mitigated appropriately.

6 IMPLICATIONS

6.1 Financial

There are no financial implications as a direct result of the report. All the costs involved are contained within the central Risk Management (1 FTE Corporate Risk Officer) or departmental budgets. Any additional costs arising from enhanced risk mitigation will have to be considered and prioritised against other pressures in the revenue budget.

6.2 Risk and Mitigations

The report sets to assure the Audit and Scrutiny Committee that the Council is undertaking its risk management responsibilities adequately. It also allows the Committee to fulfil their remit as set out in the revised Risk Management Policy.

6.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religious/belief arising from the work contained in this report.

6.4 Acting Sustainably

No direct economic, social or environmental issues with this report.

6.5 Carbon Management

No direct carbon emissions impacts as a result of this report.

6.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

7 CONSULTATION

- 7.1 The Corporate Management Team, the Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer HR, and the Clerk to the Council have been consulted on this report and any comments received have been incorporated into the report.

Approved by

Jill Stacey, Chief Officer Audit & Risk **Signature**

Author(s)

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Background Papers: Scottish Borders Council's Corporate Risk Management Policy Statement and Corporate Risk Management Strategy

Previous Minute Reference: Audit and Risk Committee 28 March 2017

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Justine Leuty can also give information on other language translations as well as providing additional copies.

Contact us at Justine Leuty, jmleuty@scotborders.gov.uk

RISK MANAGEMENT POLICY STATEMENT

Introduction

Scottish Borders Council (SBC), like all organisations, faces a wide range of risks at all levels of the organisation. The aim of this policy is to communicate why risk management should be undertaken, provide a common risk management language and a description of the approach that will be adopted by SBC to manage its risks. This policy is supported by the Risk Management Process Guide and Risk Management Strategy which is underpinned by the Management of Risk (M_o_R) Guide and its associated framework, principles, approach and processes.

SBC understands that effective Risk Management is one of the foundations of effective Corporate Governance which has been adopted in its Local Code of Corporate Governance. Compliance with the principles of sound corporate governance requires SBC to adopt a coherent approach to the identification and effective management of the risks with the outcome that better and more assured risk management will bring many benefits to SBC and the people it serves.

SBC recognise that risk management should be aligned with corporate objectives and will therefore be considered within the business planning process. This ensures that the risks to achieving these objectives are identified and prioritised. The risk management landscape is dynamic and, as local authorities increasingly deliver services in alternative ways including commissioning and partnership arrangements, the spectrum of risks that SBC is exposed to also increases.

Therefore, SBC will continue to systematically identify, analyse, evaluate, control and monitor those risks that potentially endanger or have a detrimental effect upon its people, property, reputation and financial stability whether through core service delivery or through a programme of change.

Risk appetite and capacity

Risk appetite is how much risk SBC is willing to seek, accept or tolerate. This will differ dependent on the Perspective being assessed (Strategic long term, whether at Directorate or Corporate level; Programme/Project/Service level medium term; or Operational short term). A consistent approach to identifying and analysing risk will therefore be followed, which will be consistent and compatible with SBC's capacity to bear and manage risk. This will be supported by the Risk Management Process Guide and Risk Management Strategy, to ensure that SBC, nor its stakeholders, are exposed to an unknown, unmanaged or unacceptable degree of risk.

Risk tolerance and thresholds

Risk tolerance will be determined by using a combination of the Risk Impact and Likelihood / Probability Matrix, as detailed in the Risk Management Process Guide; by the proximity of the risk; by considering the level of insurance cover in place (if applicable); and by determining whether a risk needs to be managed at a higher level because of the impact if the risk materialises.

Procedure for escalation and delegation

Escalation is the process whereby a risk has exceeded tolerance thresholds at the perspective in question and action or oversight is required at a more senior level. This could be because the impact if the risk materialises is too great to be managed at that level or because the risk is corporate wide. All managers have the responsibility to ensure that risks escalated to them are considered by following the Risk Escalation Procedure detailed in the Risk Management Process Guide. Escalated risks may be overseen at a higher level and actions to mitigate them delegated to another level within SBC or partner organisation.

Project level – Following discussion at project meeting, an Exception Report will be raised to the Project Executive. The risk will then be passed to the Programme Manager to escalate and/or manage appropriately.

Programme level – The Programme Manager will escalate the risk to the appropriate Service Director who will then make a decision on where the risk should be managed and/or what actions are to be taken.

Operational level – Every member of staff has a responsibility to report a risk to their line manager. The line manager must then decide at what level the risk should be managed and/or what actions are to be taken.

Roles and responsibilities

The Council will continue to support its people to develop the appropriate skills and competencies so as to enable them to manage risk effectively.

Corporate Management Team (CMT)

CMT will act as risk champions, driving risk from the top down, ensuring all major decisions are subject to a risk assessment, and fostering a supportive culture where all members of staff are openly able to discuss and escalate risks to the appropriate level. CMT will regularly review the most significant risks threatening strategic objectives.

Senior Management

Senior Management will: ensure that they understand the risk policy, process and reporting requirements; ensure risk registers are compiled and maintained for each Service, Programme or Project; escalate risks as required by this policy; support internal and external audits; challenge the status of identified risks; and carry out the complete risk management process on all major activities.

Chief Officer Audit & Risk

The Chief Officer Audit & Risk will develop and maintain corporate risk management strategy, policy and procedures and ensure these are communicated effectively throughout the Council and that processes are in place to embed this in the Council's culture and working practices.

Corporate Risk Officer

The Corporate Risk Officer will support the management of risk by: ensuring that the processes and procedures are followed; ensuring that risk registers are in place and reviewed; preparing management reports; offering training and support; facilitating risk workshops; reviewing the Risk and Mitigations section of Committee Reports to ensure that full risk information is provided.

Audit and Scrutiny Committee

The Audit and Scrutiny Committee will oversee the adequacy and effectiveness of the Council's risk management arrangements.

Elected Members

Elected Members need to assure themselves that they have adequate information including risks and mitigations to ensure they are fully informed during decision making at various Committees.

Risk management process

Risk management is not a one-off exercise. It is a continuous process because the decision making processes it underpins are continuous. Risk management must become an integrated part of good management within SBC, but not be over bureaucratic and a process for its own justification. To these ends it will be aligned with the business planning process and reporting schedule. The process to be adopted is described in the document Risk Management Process Guide.

Key performance indicators and early warning indicators

Key performance indicators (KPIs) and early warning indicators (EWIs) will be regularly monitored as part of the business planning and performance management process. As risk management is inextricably linked to this process, monitoring of the KPI's and EWI's will ensure that potential areas of risk are identified and checked.

When risk management will be implemented

Risk management will be applied to every level within SBC, including programmes and projects. It will be part of the decision making process when developing and reviewing business plans and when considering alternative service delivery arrangements including partnership, arm's length external organisations and outsourcing.

Reporting

Reporting, to support fulfilment of roles and responsibilities set within the Policy, will include:

- Quarterly risk management status report to CMT.
- Quarterly risk management status report to Service Directors.
- All Risk Registers on Pentana performance management system.
- Regular presentations by Service Directors to the Audit and Scrutiny Committee on the status of strategic risks facing the Council, and an annual assurance report on the Council's risk management framework.

Budget

All the costs involved are contained within the central Risk Management or departmental budgets. Any additional costs arising from enhanced risk mitigation will have to be considered and prioritised against other pressures in the revenue budget.

Quality Assurance

This policy will be subject to document control, version control, be reviewed at least annually, and be revised to reflect changes in legislation, risk management best practice, and significant changes in corporate governance.

Annual Review

Risk management procedures will be reviewed annually to ensure their continued relevance and effectiveness.

Glossary of terms

For risk management to be effective all participants must speak the same language. A detailed glossary of terms is included in the Risk Management Process Guide.

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Risk Management Strategy

Introduction

Scottish Borders Council (SBC), like all organisations, faces a wide range of risks at all levels of the organisation. The Risk Management landscape is dynamic and, as local authorities increasingly moves towards alternative delivery of essential services and partnership arrangements, the spectrum of risks to which SBC is exposed also increases.

Senior Management are committed to minimising these risks and recognise that effective Risk Management is one of the foundations of effective Corporate Governance.

SBC has made substantial progress in embedding Risk Management and awareness within business processes, with established and effective links to all related aspects of the Council's governance, planning and service delivery operations.

The Council's approach to managing risk in the previous strategy was to build on foundations established following the Risk Management Review and to add value by aligning Risk Management to the business planning and performance management process. This ensured that the risks to achieving corporate objectives were systematically identified, analysed, evaluated, controlled and monitored. In this revised strategy the focus will be ensuring that risk management reporting is of a high quality so that decisions can be taken with full clarity of the risks involved. Quality reporting will also ensure sufficient monitoring and oversight is provided by Senior Management to allow them to fulfil their risk management role, as detailed in the Risk Management Policy.

The other key change in focus for this strategy is to ensure that those contracted to deliver services on behalf of the Council and through partnership arrangements, such as the Integration Joint Board, have robust risk management framework in place. It is essential that the Council recognises that outsourcing services through contracts and commissioned services does not remove the statutory obligation and therefore the consequences of any failure of these arrangements.

The Council's strategy, supported by the Risk Management Process Guide (published on the Intranet), is underpinned by the Management of Risk (M_o_R) Guide and its associated framework, principles, approach and processes.

Key Elements of Effective Risk Management

The effective management of risks requires a strategy that has been sanctioned by, and has the clear support of, the Corporate Management Team, Elected Members and Chief Officers. Such a strategy is underpinned by:

- A clear and widely understood structure to secure implementation
- A commitment to achievement
- Appropriate training arrangements
- Regular monitoring and reporting arrangements

Risk Management Objectives

The objectives of the Council's Risk Management Strategy are to:

- Embed Risk Management into the culture of the Council
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements

- Prevent injury, damage and losses and reduce the cost of risk
- Raise awareness of the need for Risk Management by all those involved with the delivery of Council services both internal and external to the organisation
- Ensure there are adequate arrangements for compiling the Council's Annual Governance Statement with governance and Risk Management arrangements to support it

These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the Council for Risk Management and the Annual Governance Statement
- Providing opportunities for shared learning on Risk Management across the Council
- Offering a framework for allocating resources to identified priority risk areas
- Reinforcing the importance of effective Risk Management as part of the everyday work of employees by offering training
- Incorporating Risk Management into business planning and performance management
- Incorporating Risk Management considerations into partnership working and contractual arrangements
- Incorporating Risk Management considerations into the corporate programme and project management arrangements
- Regular monitoring arrangements and detailed reporting.

The Status of Risk Management

Risk Management is as much a part of the duties of Council managers as are the control of budgets and the deployment of staff and equipment to deliver services.

When making decisions the risks and mitigations associated with a proposal is as important a part of the matters to be considered by elected members as the costs of and return on investment or the staffing implications of a proposal. For this reason it is imperative that the Risk and Mitigations section of Committee Reports is completed accurately. To ensure this is the case, authors of reports should attend the Corporate Risk Management training course and the Corporate Risk Officer will provide comment when required. For their part, Elected Members should always ask for further details of the risks if it is not entirely clear what they are, in order to make well-informed decisions.

If the Council is to have a reasonable assurance that Risk Management is effectively in place it must be carried out in a systematic and structured manner and be subject to compliance testing and reporting. The inter-relationship between the Risk Management function and Internal Audit is crucial for this to be effective. This is demonstrated by the Internal Audit plan being informed by the highest areas of risk within SBC and in turn risks are identified through Internal Audit reports and assurance activities.

Benefits

The real value of good Risk Management lies in the benefits it will deliver. Those benefits will be varied in their nature and extent and some might be more measurable than others, but they will all be important to the Council's reputation and ability to deliver improved and value for money public services. The benefits realised include:

- Improved business planning by focussing on the outcome not the process
- More informed decision making process
- Enhanced reputation and public confidence in its ability to deliver services
- Fewer unpleasant surprises and crises through early warning of problems
- More effective management of change
- Prioritisation of resources and better value for money
- Improved performance and achievement of objectives

- Demonstrated good governance
- Innovation, as Managers more confidently exploit new opportunities that will in turn improve the way services are delivered or reduce the cost of delivery

Management Arrangements

Risk Management is a fundamental part of corporate and service management. As such, it should be integrated with normal management processes.

As part of the business planning and performance management process risks will be identified and managed at 3 levels to reflect the varying perspectives:

- 1) Corporate / Strategic – ensuring that the Council’s vision is implemented through the corporate priorities and strategies as stated in the Corporate Plan
- 2) Directorate & Service – transforming strategy into action
- 3) Operational – maintaining appropriate levels of service and implementing actions

At each respective level the senior managers have primary responsibility for the management of all risks:

Level 1 – Corporate Management including Chief Executive and Service Directors

Level 2 – Service Directors and Chief Officers

Level 3 – Service Managers

This arrangement clearly identifies accountability at the specific management levels to ensure that risk is being managed and effective monitoring is being carried out as part of the performance management process at the appropriate level throughout the Council.

This will also aid escalation of risks to ensure oversight and/or action at a higher level, as appropriate. Risks or actions to mitigate risks could be delegated to other levels.

Risk Management is not a one-off process. It is a continuous process because the decision making arrangements it underpins are continuous. Circumstances and business priorities can, and do, change, and therefore risks (both threats and opportunities) and their circumstances will be regularly reviewed as part of the business planning and performance management process. That way, risks and opportunities are directly linked to the achievement of business objectives which can then be prioritised using that information.

The process to be adopted is described in the Risk Management Process Guide (published on the Intranet). The Guide outlines the systematic and structured process to identify, analyse, evaluate, control and monitor risks.

The Council is engaged in a major change management programme, the Corporate Transformation Programme, which is being undertaken to:

- Meet the evolving needs and expectations of customers
- Address the financial pressures placed on the Council
- Strive to meet the efficiency gains and requirements of Best Value

This adds a further explicit area of risk exposure within the programmes and projects that underpin the delivery of corporate transformation.

- Programme – transforming corporate strategy into new ways of working that deliver measurable benefits to the organisation
- Project – delivering defined outputs to an appropriate level of quality within agreed time, cost and scope constraints

Specific reference to the Digital Transformation Programme should be made, as this Programme marks a fundamental change to how services will be delivered in the future. Digital Transformation brings its own risks and opportunities that should be identified and managed. Due to its significance the Council needs to ensure that digital transformation is weaved into all future business plans and strategies.

The Risk Management Process Guide will also be applied to programmes and projects. The use of MSP programme management methodology and PRINCE2 project management methodology provides a framework to ensure Programmes and Projects have their own operational risk registers which will continue to be monitored by individual programme and project boards. Material risks from these sources will be escalated to senior management as part of the regular reporting cycle so that any risks from potential interdependency failures can be properly assessed and appropriate action taken. This will ensure the benefits of effective Programme and Project Risk Management can be realised.

Training and awareness

To enable effective management of risks and associated internal controls and governance the Council recognises that it must continue to support its people to develop the appropriate skills and competencies.

Risk Management has been designated as one of the six Core Competencies for Managers. This has resulted in the development of a corporate Risk Management Training course that has been designed to improve Risk Management competency.

The Course Objectives are:

- Understand why managing risks is an essential part of Management responsibilities
- Understand how managing risks is fundamental to your business plan/programme/project/strategy/decision making
- Be able to identify risks to achieving objectives and put actions in place to mitigate risks
- Understand how risks are analysed, assessed, recorded and monitored in the Council

The Council will communicate with employees and elected members to ensure awareness of effective Risk Management and good governance.

The Council will spread the word about good practice and this will be achieved by publishing relevant material within the Council using a variety of communication methods. The Council will incorporate the key message that internal control systems to minimise and mitigate risks are designed to deliver the benefits that are important to the Council's reputation and ability to deliver improved and value for money public services.

In the Council's dealings with outside individuals and organisations it will ensure that they are aware of the Council's approach to managing risk as part of sound governance.

Accountability

Accountability for performance must be an integral part of the Risk Management process and should cover two principal elements:

- a) Delivering the Strategy to realise the associated benefits
- b) Implementing actions that contribute to mitigation of Risk

The Service Directors sign off an annual assurance statement on internal controls and governance operating in their departments and directorates / services which includes Risk Management. These, along with other sources of assurance are used to inform the Annual Governance Statement by the Chief Executive which is scrutinised by the Audit and Scrutiny Committee and then incorporated within the Annual Statement of Accounts.

A Standard Approach

A standardised approach will be implemented across the Council's operations to assist with the achievement and the demonstration of effective Risk Management:

- Governance through the Organisation Structure
- Adoption of a Single Standard – Management of Risk (M_o_R)
- Implementation of 'Risk Management Process Guide' enabling consistent application across the Council using best practice procedures
- Attendance at corporate Risk Management Training course by all Managers with responsibility for managing risks in the delivery of Business Plans, Programmes, Projects and Strategies
- Corporate membership of the Association of Local Authority Risk Managers (ALARM)

Monitoring and Review

Internal Audit will continue to review the efficacy of Risk Management arrangements and associated internal controls put in place by Management and provide independent assurance on the effectiveness of the Risk Management Strategy and activities as part of its assurance on the Council's Corporate Governance arrangements.

The Audit and Scrutiny Committee will oversee the adequacy and effectiveness of the Council's Risk Management systems and associated internal control environment through:

- Scrutiny of annual reports on the assessment of risks and the monitoring of the Risk Management strategy, actions and resources
- Consideration of periodic presentations by Corporate Management to outline the strategic risks facing their directorates/services and internal controls and governance in place to manage or mitigate those risks

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COUNTER FRAUD ANNUAL REPORT 2017/18

Report by Chief Officer Audit & Risk

AUDIT AND SCRUTINY COMMITTEE

14 May 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report provides the Audit and Scrutiny Committee with an update of the Council's fraud prevention, detection and investigation activity and proposes a revised Counter Fraud Policy and Strategy for Council approval.**
- 1.2 The Council is committed to minimising the risk of loss due to fraud, theft or corruption and to taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside.
- 1.3 The primary responsibility for the prevention, detection and investigation of fraud rests with Management, supported by the Corporate Fraud and Compliance Officer. Internal Audit provides advice and independent assurance on the effectiveness of processes put in place by Management. Part of the Audit and Scrutiny Committee's role is to oversee the framework of internal financial control including the assessment of fraud risks and to monitor counter fraud strategy, actions and resources.
- 1.4 In 2015 a Counter fraud policy statement, a 3-year counter fraud strategy and associated improvement plan was produced for the Council to refresh its approach to tackling fraud with a refocus on prevention and detection and promotion of anti-fraud culture across the Council, taking account of reducing resources. Annual reports on progress were presented to the Audit and Risk Committee in June 2016 and March 2017.
- 1.5 Assurances about the effectiveness of the Council's existing systems and arrangements for the prevention, detection and investigation of fraud can be taken from the results in the Counter Fraud Annual Report 2017/18 contained herein.
- 1.6 A revised a Counter Fraud Policy statement (Appendix 1) and Counter Fraud Strategy (Appendix 2) is included for consideration and endorsement for full Council approval.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Audit and Scrutiny Committee:**
 - a) **Considers the counter fraud work undertaken to deliver the 2015 strategy;**
 - b) **Notes the content of the Counter Fraud Annual Report 2017/18; and**
 - c) **Endorses the revised Counter Fraud Policy Statement (Appendix 1) and Counter Fraud Strategy 2018 (Appendix 2) for full Council approval.**

3 BACKGROUND

- 3.1 In 2014 the Chief Officer Audit and Risk commissioned a counter fraud review in anticipation of the responsibility for investigating Housing Benefit fraud being transferred to the Department for Work and Pensions. As a result a Counter Fraud Strategy was developed in 2015 with 3 year improvement plan and the establishment of a Corporate Fraud Working Group (CFWG) which has representatives from across the Council's services.
- 3.2 A 1 FTE Corporate Fraud and Compliance Officer post was established in 2015 within the Audit & Risk service to ensure that the Council is able to respond to corporate fraud issues. The post-holder, an Accredited Counter Fraud Specialist since December 2015, leads on implementation of the counter fraud improvement actions and supports the CFWG in its work.
- 3.3 Internal Audit is required to give independent assurance on the effectiveness of processes put in place by Management to manage the risk of fraud and liaises with the Corporate Fraud and Compliance Officer on an on-going basis to ensure fraud risk is considered in every audit.
- 3.4 Part of the Audit and Scrutiny Committee's role is to oversee the framework of internal financial control including the assessment of fraud vulnerabilities and to monitor counter fraud strategy, actions and resources.

4 COUNTER FRAUD MANAGEMENT REVIEW PROGRESS 2017/18

- 4.1 The initial recommended improvement actions from the Corporate Counter Fraud Review 2014 have been achieved as reported previously. The Corporate Fraud Working Group have previously agreed that having achieved the minimum standard within the CIPFA Code of Practice on 'Managing the Risk of Fraud and Corruption (2014)' to adopt the Scottish Government's Counter Fraud Maturity Model as a means of self-assessment moving forward (See Diagram A).
- 4.2 The Counter Fraud Working Group has agreed to continue as the Counter Fraud Steering Group with bi-annual meetings allowing operational staff to form ad-hoc working groups for specific tasks.
- 4.3 Establishing a counter fraud culture is fundamental to ensuring an effective response to fraud, theft, corruption or crime and the leadership part played by Corporate Management Team and Senior Management is key to establishing counter fraud behaviours within the organisation, its partners, suppliers and customers.
- 4.4 Diagram A illustrates the Council's current self-assessment against the Counter Fraud Maturity Model based on the examples set out below:
 - 4.4.1 **Ethics**

The Employee Code of Conduct covers all of the areas of ethical behaviour.
 - 4.4.2 **Policies**

A Fraud Response Plan has been written to standardise the Council's response when fraud is suspected and to assist Managers to know what options are available to them and how an investigation should be conducted. This has been endorsed by the Counter Fraud Steering Group and will be publicised to Managers.

4.4.3 **Training and Development**

The Counter Fraud Steering Group has developed a suite of on-line training modules covering Fraud Awareness, The Bribery Act, Conflict of Interests, and Gifts and Hospitalitys. These are now mandatory for new members of staff and will be promoted for relevant staff within service areas. Fraud Awareness Training has been arranged and delivered to staff in Life Long Learning, Neighbourhood Services, and SB Cares.

4.4.4 **Risk Assessments**

Ad-hoc fraud vulnerability assessments using a new methodology have been carried out in areas where assistance has been requested. A toolkit for carrying out assessments has been provided and from April 2018 this will be rolled out across specific Service areas in line with the proposed Fraud Action Plan.

4.4.5 **Monitoring**

Compliance work has been conducted relating to payroll and pensions transactions, including those for SB Cares. This will be extended to other areas in 2018/19.

4.4.6 **Fraud Reporting Arrangements**

This refers to the arrangements for individuals reporting suspicions to the Council. A fraud hot-line and on-line e-form are available for external customers. Posters publicising the e-mail and telephone number have been circulated across Council HQ, Local Depots and SB Cares though the number of incidents reported is still quite low.

4.4.7 **Investigation And Response**

There were 20 investigations in 2017/18 and 5 frauds were identified. Results are detailed at 6.7 below.

4.4.8 **Communications**

The Council's website includes a page developed to promote public use of the fraud hotline and on-line reporting. Communications relating to the awareness of Phishing scams were circulated to staff in response to identified incidents.

- 4.5 A revised a Counter Fraud Policy statement (Appendix 1) and Counter Fraud Strategy (Appendix 2) is included for consideration and endorsement for full Council approval.

5 NEXT STEPS

- 5.1 On approval of the 2018/19 Counter Fraud Strategy, there will be a renewed emphasis on carrying out targeted Fraud Vulnerability Assessments and Fraud Awareness Training with relevant Senior Managers.
- 5.2 The introduction of the Business World ERP System has formalised authorisation levels within the system in line with the scheme of delegation and will introduce new functionality that will allow a more systematic approach to checking and recording fraud. These areas will be checked as part of the compliance work set out within the proposed Fraud Action Plan.
- 5.3 A Report has been produced by Audit Scotland following a significant Fraud incident at Dundee City Council in 2016/17. The recommendations in the report will be adopted where appropriate by Scottish Borders Council.
- 5.4 Plans will be put in place to develop the Business World ERP System to hold a corporate record of Gifts and Hospitalitys and Register of Interests.

6 ANNUAL FRAUD REPORT 2017/18

- 6.1 All frauds and irregularities greater than £5,000 must be reported to Audit Scotland. There were no frauds greater than £5,000 during 2017/18. The last fraud which required to be reported to Audit Scotland was one relating to Non Domestic Rates of £95,755 in 2013/14. Though this is an important performance indicator of how effective the Council's fraud prevention and detection measures are, this report includes all known frauds.
- 6.2 The National Fraud Initiative (NFI) is a series of bi-annual exercises run by the Cabinet Office and Audit Scotland to identify or prevent fraud and error by matching electronic data held by public bodies. Participating bodies are required to investigate data discrepancies within a timescale and report back on any savings.
- 6.3 The main NFI area where savings have been identified relates to Council Tax Single Person Discount. The exercise listed 1,703 matches after cleaning and sifting of the data 129 cases were identified as requiring investigation. There were:-
- 53 cases where Council Tax discount was being claimed fraudulently or in error;
 - 10 cases where there was insufficient evidence to identify if a fraud had occurred;
 - 66 cases which when investigated, were found to be correctly claiming discount;
- 6.4 A saving in 2017/18 of £37,523 was identified. This is a benchmarking figure up to 31 March 2018 made up of immediate cashable savings of £23,382 with an ongoing annual saving of £14,140.
- 6.5 The reduced level of saving in 2017/18 (compared to the 2016/17 NFI exercise savings of £86,000) can be attributed to:-
- NFI is normally completed every second year; however, on this occasion, the Council Tax exercise has been run in concurrent years. Therefore the savings relate to a shorter time period; and
 - The lower number of matches allowed a change in methodology away from a canvas to specific investigations which has given more accurate results.
- 6.6 Other NFI work resulted in the following:-
- Housing Benefit overpayments of £20,536 which is being recovered.
 - Checks on Payroll, Blue Badge, Licencing and Residential Care identified no fraud cases.
- Further Compliance work will be carried out in 2018/19 on Council Tax, Licencing and Payroll.
- 6.7 There were 20 investigations not related to NFI in 2017/18; as a result:-
- A member of staff in a partner organisation funded by SBC resigned following an investigation based on intelligence gathered through SBC's whistle blowing site.
 - Lap top computers thought to have been stolen were discovered having been delivered incorrectly to NHS Borders.
 - A homeless property was recovered from someone who claimed falsely to be homeless.
 - A parent agreed to repay £650 in Educational Maintenance Allowance having failed to provide income information which would have made the pupil ineligible.
 - An investigation secured a successful insurance claim for lost cash £1,278 that had previously been refused by the Council's insurers.

- Three phishing attempts were identified and failed as a result of staff awareness. The loss could otherwise have exceeded £25,000.
 - A forged Blue Badge has been recovered.
 - Police Scotland visited Council HQ to advise staff on protecting their personal property following thefts from desks.
- 6.8 SBC supports Police Scotland in their criminal investigations by checking addresses and confirming or providing occupiers names and addresses. There were 540 Police Scotland address checks in 2017/18. This information is provided under section 29 of the Data Protection Act 1988.
- 6.9 There is one ongoing investigation into direct payments to a social work client and SBC is currently assisting Midlothian Council and the NHS Counter Fraud Services on a further two investigations.

7 IMPLICATIONS

7.1 Financial

The Council is committed to minimising the risk of loss due to fraud, theft or corruption by putting in place effective internal control systems designed to prevent and detect fraud and at the same time taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside. This includes the operational costs of resourcing the Corporate Fraud and Compliance Officer (1 FTE) within the Audit & Risk service. Any additional costs arising from enhanced fraud risk mitigation will have to be considered and prioritised against other pressures in the revenue budget.

7.2 Risk and Mitigations

- (a) There is a risk that Managers are not aware of fraud issues or, due to competing demands on resources, do not engage with fraud prevention.
- The steps in the Counter Fraud Maturity Model should raise awareness across the organisation.
 - The requirement to carry out Fraud Vulnerability Assessments will be promoted with Senior Managers across all service areas.
- (b) There is a risk that frauds will not be detected.
- Members need assurance that controls are adequate to detect fraudulent activity. If significant amounts of fraud or error are not found but the fraud detection measures have been utilised properly, this gives assurances about the effectiveness of the Council's existing systems and arrangements for the prevention, detection and investigation of fraud.
- (c) There is a risk that Managers will not take action against staff when fraud is suspected or identified for fear of criticism or reputational damage to their service or the Council.
- Managers must have confidence in the investigation process and successful investigations should be communicated.
 - A Fraud Response Plan has been developed and will be publicised to Managers so that Managers are informed about what steps are appropriate if fraud is suspected.
- (d) There is a reputational risk for the Council if its internal control, risk management and governance arrangements are assessed by external audit and inspection bodies as inadequate.
- The Counter Fraud Annual Report is evidence that fraud risks have been identified and are being mitigated.

7.3 **Equalities**

Equalities and diversities matters are accommodated by way of all alleged frauds being investigated and pursued in accordance with the appropriate legislation.

7.4 **Acting Sustainably**

There are no direct economic, social or environmental issues with this report.

7.5 **Carbon Management**

There are no direct carbon emissions impacts as a result of this report.

7.6 **Rural Proofing**

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

7.7 **Changes to Scheme of Administration or Scheme of Delegation**

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

8 CONSULTATION

8.1 The Corporate Management Team has been consulted on this report and any comments received have been incorporated in the final report.

8.2 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director HR, and the Clerk to the Council have been consulted on this report and any comments received have been incorporated in the report.

Approved by

Jill Stacey, Chief Officer Audit & Risk

Signature

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit & Risk Tel: 01835 825036
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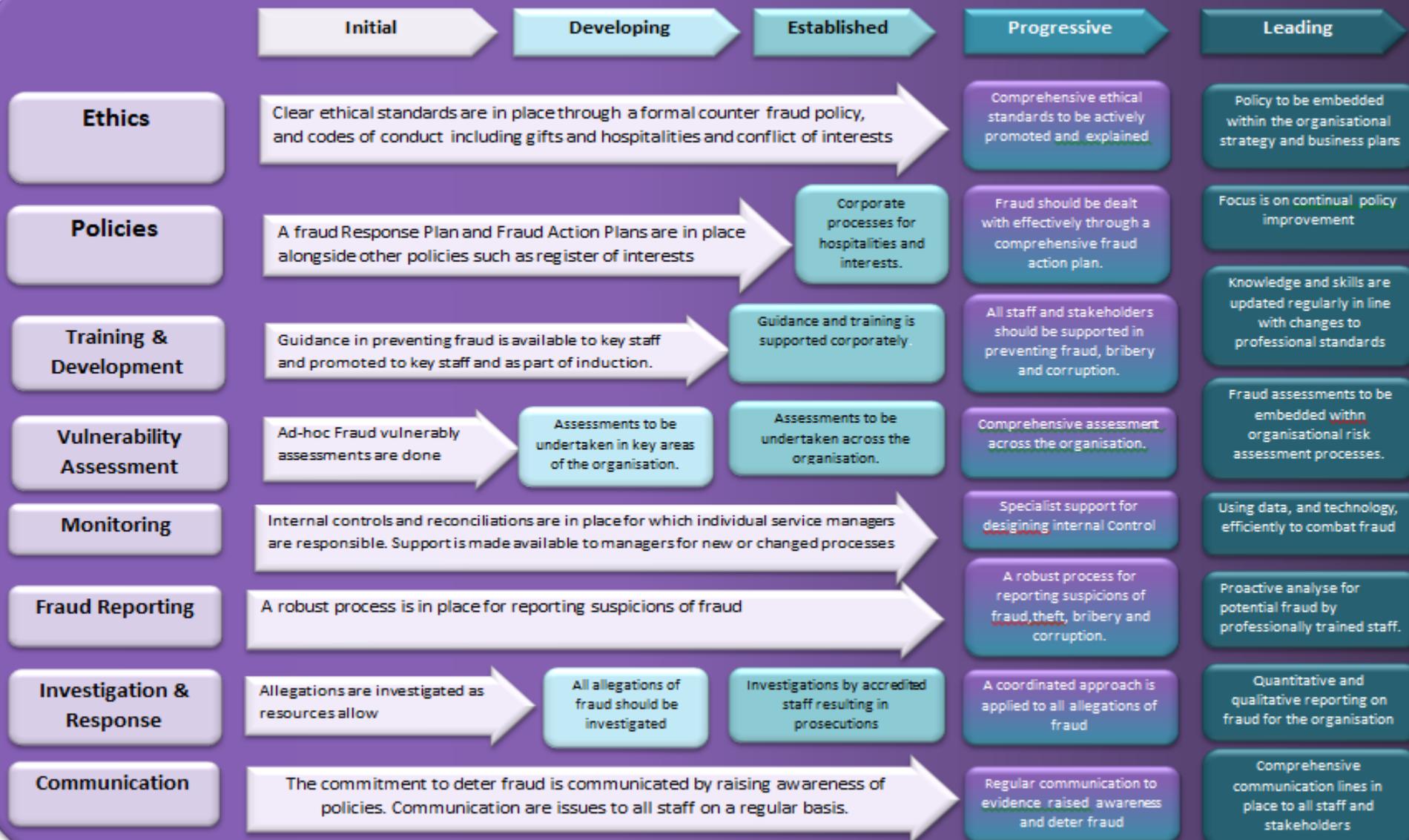
Background Papers: Scottish Borders Council’s Counter Fraud Policy Statement and Counter Fraud Strategy

Previous Minute Reference: Scottish Borders Council 27 August 2015; Audit and Risk Committee 28 June 2016 and 28 March 2017

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Gary Smith can also give information on other language translations as well as providing additional copies.

Contact us at gsmith3@scotborders.gcsx.gov.uk

Scottish Borders Council's Progress on the Counter Fraud Maturity Model 2017/18



based on Scottish Government counter fraud maturity model 2015

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COUNTER FRAUD POLICY STATEMENT

Introduction

The size and nature of the services provided by Scottish Borders Council (SBC), as with other large organisations, puts the Council at risk of loss due to fraud, theft or corruption. The aim of this policy is to communicate why effective and robust counter fraud arrangements should be in place to ensure the Council's ongoing resilience to the threats of fraud and corruption and a description of the approach that will be adopted by SBC to tackle fraud. This policy will be supported by the Counter Fraud Strategy, to ensure that SBC, nor its stakeholders, are exposed to an unknown, unmanaged or unacceptable degree of fraud risk by protecting themselves in an appropriate way.

Tackling fraud is an integral part of protecting public finances. The harm caused by fraud, however, is not just financial. Fraud damages local people and communities, damages the Council's reputation and undermines trust in public services. Every pound lost through fraud cannot be spent on providing and delivering quality services that people rely on and which they pay their taxes to get, therefore it is important to have a strong counter-fraud culture and effective counter-fraud measures embedded within its business processes and governance arrangements.

The changing and increasingly complex environment in which the Council operates, and the complexity of policies, procedures, processes, systems, customer interfaces, legislative requirements, partnerships and joint working arrangements and relationships with other organisations that enable the Council to deliver its services, is happening against a backdrop of depressed economic activity in which the fraud risk tends to increase.

Management are committed to minimising fraud risk and at the same time taking appropriate actions against those who attempt to defraud the Council, whether from within the authority or from outside. Refinements to the Council's approach to tackling fraud include a focus on enhanced fraud prevention and detection to improve its resilience to fraud.

Roles and responsibilities

The Council will continue to support its people to develop the appropriate skills and competencies so as to enable them to tackle fraud effectively and will recognise financial management as a core management competency.

Corporate Management Team (CMT)

CMT will act as counter fraud champions, tackling fraud from the top down, allocating sufficient resources proportionate to the level of fraud risk to ensure that income is maximised and assets are safeguarded, and fostering a strong counter fraud culture.

Senior Management

Senior management will: identify fraud and corruption risks; ensure that they understand and apply the counter fraud policy requirements within their own service provision procedures and practices to ensure a comprehensive and coherent approach to fraud prevention, detection and investigation; take action to prevent, detect and investigate fraud; periodically highlight to staff the importance of behaving with integrity; support internal and external audits; and carry out a periodic review of the efficacy of their counter fraud arrangements.

Chief Financial Officer

The Chief Financial Officer is designated by Council as the officer responsible for the administration of the Council's financial affairs in terms of Section 95 of the Local Government (Scotland) Act 1973.

Chief Officer Audit & Risk

The Chief Officer Audit & Risk will develop and maintain corporate counter fraud strategy, policy and procedures, in consultation with the Chief Financial Officer, and ensure these are communicated effectively throughout the Council and that processes are in place to embed this in the Council's culture and working practices.

Corporate Fraud & Compliance Officer

The Corporate Fraud & Compliance Officer will support the counter fraud management by: leading on the implementation of identified improvement actions; supporting the development and review of the counter fraud policy framework; monitoring that the fraud prevention, detection and investigation processes and procedures are followed; and offering advice, guidance, training and support.

Internal Audit

Internal Audit will review the effectiveness of controls put in place by Management to manage the risk of fraud. Full details of its roles are set out in the Internal Audit Charter.

Audit and Scrutiny Committee

The Audit and Scrutiny Committee will oversee the adequacy and effectiveness of the Council's systems of internal financial control and framework of internal control to provide reasonable assurance of effective and efficient operations, including the review of assessment of fraud risks and the monitoring of the counter fraud strategy, actions and resources.

Elected Members

Elected Members need to be aware of and adhere to the procedures and practices in place to prevent fraud, theft or corruption when performing their roles, and support the Public to utilise the whistleblowing process online to report any concerns.

Counter Fraud management process

Tackling fraud is not a one-off exercise; it is a continuous process across all parts of the Council because the service delivery processes it underpins are continuous. Tackling fraud is an integral part of good governance within the Council and demonstrates effective financial stewardship and strong public financial management.

Reporting

Reporting will include an annual report to CMT and the Audit and Scrutiny Committee on the progress with implementation of counter fraud management improvement actions and outcomes, and the Annual Governance Statement to CMT and the Audit and Scrutiny Committee which will include a statement on the efficacy of counter fraud arrangements.

Budget

All the costs involved are contained within the central Corporate Fraud Management or departmental budgets. Any additional costs arising from enhanced counter fraud risk mitigation will have to be considered and prioritised against other pressures in the revenue budget.

Quality Assurance

This policy will be subject to document control, version control, be reviewed at least annually, and be revised to reflect changes in legislation, counter fraud management best practice, and significant changes in corporate governance.

Review

Counter Fraud management policies and procedures will be reviewed on a regular basis to ensure their continued relevance and effectiveness.

COUNTER FRAUD STRATEGY 2018

The size and nature of the Council's services, as with other large organisations, puts the Council at risk of loss due to fraud, theft or corruption. Management are committed to minimising this risk and at the same time taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside. Refinements to the Council's approach to tackling fraud include a focus on enhancing fraud prevention and detection to improve its resilience to the threat of fraud and corruption.

The Council's strategy, which is based upon the national counter fraud standard CIPFA's Code of Practice on 'Managing the Risk of Fraud and Corruption' published in December 2014, is built around the following:

Counter fraud and corruption culture

The Council expects its employees and elected members to act within the law and the high standards of integrity, honesty and openness, which are reflected in the Council's Code of Conduct internal codes, rules and procedures. The Council also expects that all outside individuals and organisations, including service users, partners, suppliers, and contractors will act to the same standards.

Plans and policies

Service specific plans, policies, procedures, processes and guidelines must contain detailed information on how to prevent or reduce the Council's vulnerability to fraud, theft or corruption as part of their service provision to ensure that income is maximised and assets are safeguarded.

The Corporate Fraud Steering Group chaired by the Chief Officer Audit & Risk and supported by the Corporate Fraud & Compliance Officer, must review and update associated policies, procedures and guidelines across the Council. As a minimum the policy framework will include: Counter Fraud Policy; Whistleblowing Policy; Anti Money Laundering Policy; Anti-Bribery & Corruption Policy; Gifts & Hospitality Policy and register; Conflict of Interest Policy and register; Codes of Conduct and Ethics; Information Security Policy; and Cyber Security Policy.

Deter and detect

The Council will focus on enhanced fraud prevention and detection in accordance with the Scottish Governments cross sector counter fraud strategy 'Protecting Public Resources in Scotland: The strategic approach of fighting fraud, bribery and corruption' launched in June 2015 and measure progress against the Scottish Governments Counter Fraud Maturity Model.

Management will continuously monitor and review the internal control systems which include financial regulations, scheme of delegation, standing orders, data security, codes of conduct, protocols, practices and guidelines, to ensure that fraud prevention and detection procedures are effective and robust, and that risk mitigating actions are in place.

In addition Management will continue to identify those areas, existing or new, which are vulnerable to fraud, theft or corruption and will use a standard assessment method to assess the effectiveness of the controls in place. The Corporate Fraud and Compliance Officer will assist Senior Managers or their nominated representatives to make those assessments and carry out an annual review. The Corporate Fraud and Compliance officer will also make an annual Fraud Action Plan which will include compliance testing to check the efficacy of internal controls.

A proactive approach to fraud detection will be followed, including enhanced use of techniques such as data matching and intelligence sharing with partner organisations within the provisions of the General Data Protection Regulations. Positive publicity about the successful detection or prevention of a fraud will play a key part in deterring others.

The Council will continue to work with other organisations to manage its fraud risks and share best practice through participation in counter fraud forums at local and national levels. This will include the Scottish Local Authorities Investigators Group (SLAIG) and the NHS's Counter Fraud Service (CFS). There will be further joint working in countering fraud in particular in response to the risks from organised crime which can commit fraud across the public sector, embedding the principles of the "Letting Our Communities Flourish" strategy. The Council will continue to participate in the National Fraud Initiative (NFI) in Scotland as active detection and prosecution of fraudsters is a vital deterrent to others contemplating defrauding the public purse.

Training and awareness

To have effective counter fraud, theft or corruption controls the Council recognises that it must provide awareness and training programmes for counter fraud prevention and detection techniques. This will mainly be done through the use of E Learning modules which will be targeted to appropriate members of staff.

In its communications with employees and elected members the Council will incorporate the key message that internal control systems to counter fraud, theft or corruption are designed both to safeguard assets and to protect their integrity if challenged.

In the Council's dealings with outside individuals and organisations it will ensure that they are aware of the Council's stance towards tackling fraud, theft or corruption. The Council will encourage the reporting of suspected fraud, theft or corruption through confidential reporting or whistleblowing arrangements to the Counter Fraud team and reassure those who fear reprisals that it will protect their rights.

Action

Service Directors and Managers will report all actual or suspected cases of fraud, theft or corruption to the Chief Officer Audit & Risk and initiate an investigation the aim of which is to take corrective action, minimise losses and help prevent further frauds. The Chief Officer Audit and Risk with the assistance of the Corporate Fraud and Compliance Officer will produce a Fraud Response Plan which will give clear guidance on how the Council will conduct fraud investigations. They will also provide support and assistance as required in the event of an investigation.

Managers must co-operate with compliance checks and ensure that vulnerabilities within processes are addressed.

Investigations

Anyone suspected of fraudulent behaviour will be treated fairly and courteously within the principles of Article 6 and Article 8 of the Human Rights Act 1998. All investigations will be strictly confidential and intelligence or evidence will be gathered to a standard that would be admissible in court and held securely. Investigators will not carry out directed surveillance without proper authorisation as detailed in Regulation of Investigatory Powers (Scotland) Act 2000 and the Council's code of practice.

Where initial investigations identify evidence of criminality, the matter will be reported to Police Scotland and the Council will co-operate fully with any Police investigation.

Where investigations reveal evidence of fraudulent or dishonest behaviour, corrupt practice or theft by a member of staff, appropriate steps will be taken including disciplinary action in accordance with the HR policies.

Steps will also be taken to recover losses resulting from fraud, theft or corruption including the recovery of assets and money, which may involve joint working with public sector partners.

Monitoring and Review

Internal Audit will continue to review the efficacy of counter fraud internal controls put in place by Management and provide independent assurance over fraud risk management, strategy and activities.

The Audit and Scrutiny Committee will oversee the adequacy and effectiveness of the Council's systems of internal financial control and framework of internal control through scrutiny of annual reports on the assessment of fraud risks and the monitoring of the counter fraud strategy, actions and resources.

This strategy will be reviewed annually.

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INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2017/18

Report by Chief Officer Audit & Risk

AUDIT AND SCRUTINY COMMITTEE

14 May 2018

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to present to the Audit and Scrutiny Committee the Internal Audit Annual Assurance Report for the year to 31 March 2018 which includes the Chief Officer Audit & Risk's independent assurance opinion on the adequacy of the Council's overall control environment.**
- 1.2 In support of the overall governance arrangements of the Council, as set out in the Local Code of Corporate Governance, and the Public Sector Internal Audit Standards (PSIAS) which require that the Chief Officer Audit & Risk provides an annual internal audit opinion and report on the adequacy and effectiveness of the Council's governance, risk management and internal controls to support the preparation of the Annual Governance Statement.
- 1.3 The Remit of the Audit and Scrutiny Committee indicates that it should ensure an adequate framework of internal control, risk management and governance throughout the Council.
- 1.4 To meet the requirements of the PSIAS the Internal Audit Annual Assurance Report 2017/18, at Appendix 1, includes the annual Internal Audit opinion, provides details of the Internal Audit activity and performance during the year to fulfil its role, and summarises the outcomes of assessments of the Internal Audit service against the PSIAS.
- 1.5 The Chief Officer Audit & Risk's opinion is that, based on Internal Audit reviews and knowledge, the systems of internal control, governance and risk management within the Council are operating satisfactorily.
- 1.6 The Internal Audit Annual Assurance Report 2017/18 has been used to inform the Chief Executive's Annual Governance Statement 2017/18.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
- a) Considers the Internal Audit Annual Assurance Report 2017/18 (Appendix 1) and provides any commentary thereon.**
 - b) Agrees that the Internal Audit Annual Assurance Report 2017/18 be published on the Council's website.**

3 BACKGROUND

3.1 The Public Sector Internal Audit Standards (PSIAS) (2017) requires that:
“The chief audit executive [SBC’s Chief Officer Audit & Risk] must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The annual report must incorporate:

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.”

3.2 The Remit and Terms of Reference of the Audit and Scrutiny Committee indicate that it should:

- Ensure adequate framework of internal control, risk management and governance throughout the Council
- Encourage propriety and probity throughout the Council
- Assist in accountability to stakeholders

4 INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2017/18

4.1 The Internal Audit Annual Assurance Report 2017/18, at Appendix 1, includes the Chief Officer Audit & Risk’s independent and objective opinion regarding the adequacy and effectiveness of the Council’s governance, risk management and internal controls, provides details of the Internal Audit activity that supports the opinion and of the performance during the year to fulfil its role, and summarises the outcomes of assessments of the Internal Audit service against the PSIAS.

4.2 The Chief Officer Audit & Risk’s opinion is that, based on Internal Audit reviews and knowledge, the systems of internal control, governance and risk management within the Council are operating satisfactorily. In respect of the most significant change for the Council relating to the implementation of the new Business World ERP system, there are system issues and delays in delivery of some functionality; the expected business benefits have not yet been realised and significant staff and consultant resources have been deployed to address issues and establish manual controls, where appropriate, in the interim.

4.3 Internal Audit reports during the year confirm improvements in internal controls, governance, and risk management through Management-initiated improvements complemented by the implementation of audit recommendations. Further improvements in internal controls, governance, and risk management have been agreed by Management as highlighted in Internal Audit reports and recommendations made during the year or outstanding from previous years.

4.4 The Internal Audit Annual Assurance Report 2017/18 provides assurances in relation to the Council’s corporate governance framework that is a key component in underpinning delivery of the corporate priorities within the Council’s Corporate Plan and has been used to inform the Chief Executive’s Annual Governance Statement 2017/18.

4.5 The annual internal self-assessment demonstrates sufficient evidence that the Council’s Internal Audit section conforms with the Definition of Internal Auditing and the Standards in the PSIAS.

5 IMPLICATIONS

5.1 Financial

- (a) It is anticipated that efficiencies will arise either as a direct or indirect result of Management implementing the recommendations made by Internal Audit during 2017/18 through improved internal controls and governance arrangements.
- (b) The net cost (projected outturn at February 2018) of the Internal Audit service was £234k (2016/17 £246k). The majority of service expenditure relates to staff costs (99%) for resources comprising Chief Officer Audit & Risk (50% allocation), Principal Internal Auditor, two Senior Internal Auditors, and two Internal Auditors.

5.2 Risk and Mitigations

- (a) Internal Audit provides assurance to Corporate Management and the Audit and Scrutiny Committee on the adequacy and effectiveness of internal controls, governance and risk management within the Council, highlights good practice and recommends improvements. Key components of the audit planning process include a clear understanding of the Council's functions, associated risks, and range and breadth of audit areas for inclusion within the plan. There is effective liaison between Internal Audit and the Corporate Risk Officer on an on-going basis to ensure that risk is considered in every audit and risk reviews take account of improvements arising from audit work.
- (b) Continuous improvements in internal controls and governance arrangements can be demonstrated through Management-initiated improvements complemented by the implementation of Audit recommendations.
- (c) It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of Management implementing the Internal Audit recommendations made during the year or outstanding from previous years which will enable Management to demonstrate further improvement in internal controls and governance arrangements.
- (d) Delivery of the Internal Audit services in conformance with the PSIAS will enable the Council to meet the requirements of the Local Authority Accounts (Scotland) Regulations 2014 to consider the findings of assessments as part of the consideration of the system of internal control required by regulation 5.

5.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religious/belief arising from the work contained in this report.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report.

5.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

6 CONSULTATION

- 6.1 As the Chief Officer Audit & Risk is required to give an independent opinion on the Council's governance, risk management and internal controls, full consultation on Appendix 1 is not appropriate.
- 6.2 The Corporate Management Team has been advised to take into account the work of Internal Audit and the independent opinion on the adequacy and effectiveness of the Council's governance, risk management and internal controls when completing the annual self-evaluation and assurance process for the Council's Annual Governance Statement 2017/18.
- 6.3 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director HR, the Clerk to the Council, and Corporate Risk Officer have been consulted on the covering report and any comments received have been incorporated into the report.

Approved by

Jill Stacey, Chief Officer Audit & Risk **Signature**

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit & Risk Tel 01835 825036

Background Papers: Appropriate Internal Audit files

Previous Minute Reference: Audit and Risk Committee 28 March 2017

Note – You can get this document on tape, in Braille, large print and various computer formats by using the contact details below. Information on other language translations can also be given as well as provision of additional copies.

Contact us at Internal Audit intaudit@scotborders.gov.uk

Chief Officer Audit & Risk's Annual Report and Opinion 2017/18

1 Introduction

- 1.1 It is Management's responsibility to design and maintain proper risk management, governance and internal control processes and systems to ensure probity in systems and operations, including the prevention, detection and resolution of fraud and irregularities. Management is also responsible for checking that the arrangements and controls are operating effectively. These are known as the first and second lines of defence which are not fixed but evolve as the Council changes.
- 1.2 Internal Audit, as the third line of defence, is an independent appraisal function established for the review of the internal control system as a service to Scottish Borders Council. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources and the management of risk.
- 1.3 The Internal Audit activity adds value to the organisation (and its stakeholders) when it considers strategies, objectives, and risks; strives to offer ways to enhance governance, risk management and control processes; and objectively provides relevant assurance.
- 1.4 The Objectives of Internal Audit are set out in its Charter: "As part of Scottish Borders Council's system of corporate governance, Internal Audit's purpose is to support the Council in its activities designed to achieve its declared objectives and to do so:
- As a contribution to the Council's corporate management of risk.
 - As an aid to ensuring that the Council and its Members, managers and officers are operating within the law and relevant regulations.
 - In support of the Council's vision, values and priorities.
 - As a contribution towards establishing and maintaining a culture of honesty, integrity, openness, accountability and transparency throughout the Council in all its activities and transactions.
 - As a contribution towards ensuring that financial statements and other published information are accurate and reliable."
- 1.5 The Public Sector Internal Audit Standards (PSIAS) (2017) requires that:
 "The chief audit executive [SBC's Chief Officer Audit & Risk] must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.
 The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
 The annual report must incorporate:
- the opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme."
- 1.6 This Annual Report provides the annual internal audit opinion and summarises the work carried out by Internal Audit during the year to 31 March 2018 that underpins the opinion in accordance with the Internal Audit Charter, Strategy and Annual Plan. The report also summarises the outcomes of assessments of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS).

2 Opinion on the systems of Internal Control and Governance

- 2.1 My opinion is that, based on our reviews and knowledge, the systems of internal control, governance and risk management within the Council are operating satisfactorily.
- 2.2 Internal Audit reports during the year confirm improvements in internal controls, governance, and risk management through Management-initiated improvements complemented by the implementation of audit recommendations.
- 2.3 The most significant change for the Council related to the implementation of the new Business World ERP system which went live from April 2017 for HR, Payroll, Procurement and Finance management and administrative processes. Due to system issues and delays in delivery of some functionality the expected business benefits have not yet been realised and significant staff and consultant resources have been deployed to address issues and establish manual controls, where appropriate, in the interim.
- 2.4 Reasonable assurance can be provided on the adequacy of the internal controls and governance arrangements in place. There is adequate awareness and observation of the Council's Local Code of Corporate Governance (approved August 2017) and key governance documents including Scheme of Administration (approved November 2017), Procedural Standing Orders (approved June 2017), Scheme of Delegation (approved March 2018), Financial Regulations (approved June 2016), and Codes of Conduct for Councillors and for Employees. The Financial Regulations and associated policies, procedures and guidelines need to be reviewed, updated and developed, as appropriate, to reflect changes arising from the implementation of the Business World ERP system.
- 2.5 The Chief Officer Audit & Risk facilitates the annual review of the Council's governance arrangements against its Local Code of Corporate Governance (Local Code) carried out by a self-evaluation working group of officers from across the Council's services. This is part of the process to produce the Annual Governance Statement.
- 2.6 Further improvements in internal controls, governance, and risk management have been agreed by Management as highlighted in Internal Audit reports and recommendations made during the year or outstanding from previous years.

3 Internal Audit Annual Plan 2017/18 Delivery

- 3.1 The following table shows the analysis of audit days and numbers by audit theme:

	Plan days 2017/18	Actual days 2017/18	Plan Nos. 2017/18	Actual Nos. 2017/18
Corporate Governance	140	110	6	6
Financial Governance	165	230	8	8
IT Governance	50	23	3	3
Internal Controls	60	85	3	4
Asset Management	65	47	4	3
Legislative and other Compliance	45	38	4	3
Consultancy and Advice	70	50		1
Other	52	70		
SBC Total	647	653	28	28
Non-SBC	65	86		
Total	712	739		

- 3.2 The level of Actual Audit days was slightly higher than plan (104%). This performance can be attributed to the greater direct audit productivity from the Internal Audit team than anticipated in the audit plan.
- 3.3 The allocation of audit plan days is not an exact science and some of the audit scopes have been carried out using less than planned days and some using more. The most significant variations are as follows:
- Financial Governance: A significant amount of additional audit assurance work related to the implementation of the new Business World ERP system which went live from April 2017 for HR, Payroll, Procurement and Finance management and administrative processes. This included Key Controls work, on which reliance will be placed by Audit Scotland (SBC's External Auditors), and review of Solution Design documents to understand system functionality. It should be noted that there has been significant learning and development on the new ERP system by Internal Audit which is expected to be beneficial for delivery of Internal Audit work in future years.
 - Internal Controls: an assurance audit on Registration Service was added to the Plan on request by Service Management.
 - Asset Management: The full scope of the planned assurance audit on Asset Registers has been deferred to 2018/19 to align to Business World development in agreement with Senior Management and External Auditors;
 - Legislative and Compliance: Selkirk Conservation Area Regeneration Scheme (Review as part of programme compliance and evaluation requirements of the external funders) has been rescheduled to 1st Quarter 2018/19 to align with the phasing of the return submission to Funder.
 - Non-SBC: More assurance work was performed for SB Cares and Scottish Borders Health and Social Care Integration Joint Board during the year and this has been reflected within the 2018/19 Annual Plan.
- 3.4 This has not affected the assurance that Internal Audit is able to give.
- 3.5 The wide range of Internal Audit work performed during the year is listed below:

Corporate Governance Audits

- 3.6 To provide assurances in relation to the Council's corporate governance framework that is a key component in underpinning delivery of the corporate objectives and priorities within the Council's Corporate Plan, reviews included:
- Corporate Governance (Assessment of progress on implementation of Improvement action plans, Annual Evaluation against Local Code of Corporate Governance, and involvement in the review of the Scheme of Delegation and Scheme of Administration, and associated Members Induction Training including Audit Committee).
 - Information Governance (Review of the framework including roles and responsibilities, policy development and implementation, and assess progress with implementation of improvement actions; Assess preparedness for the General Data Protection Regulations (GDPR) to come into force May 2018).
 - Performance Management (Validation of performance indicators and benchmarking information to support self-assessment and continuous improvement of the Council's services, specifically to ensure accuracy of data submitted for Local Government Benchmarking Framework and Corporate Priorities PIs).
 - Corporate Transformation Programme (Input to the planned review and refresh of the programme to influence the governance and accountability arrangements, including processes for benefit (financial and other) identification, tracking and realisation, and evaluation of outcomes and lessons learned).

- Complaints (Review and assess arrangements in place for both Corporate and Social Work complaints to provide assurance on whether the complaints process is being applied consistently to enable successful outcomes and realisation of the benefits associated with efficient resolution of complaints).
- Community Engagement (Evaluate systems and procedures to engage with and communicate to the community in setting, delivering and reporting on the Council's vision, priorities and plans. Assess Community Empowerment Act implications and extent to which the Council is complying with key elements of the legislation).

Financial Governance Audits

3.7 To provide assurance on the internal financial controls in place and substantive testing of transactions to ensure completeness and accuracy of data in core financial systems, reviews included:

- Financial Policy Framework (Assess the Financial Policy Framework established as part of Business World implementation, review progress with update of Financial Regulations and associated policies, procedures and guidelines, and evaluate whether there is a comprehensive programme in place to review, update and develop relevant policies, procedures and guidelines; Carry out a specific assurance audit on Petty Cash Imprest and Emergency Funding to assess the processes and efficiency of the petty cash administration system (following on from our similar review in 2013) and provision of financial support to vulnerable people in emergency situations (on request from Chief Financial Officer following the Grenfell Tower incident in 2017)).
- Business World ERP System Key Controls incorporating Payroll, Sales to Cash, Procure to Pay, and Record to Report system process (Assess key controls of the new system for Payroll, Sales to Cash, and Procure to Pay processes and core General Ledger and Management Reporting (Record to Report), assess System Access, test sample of transactions from various data sets to determine if expected improved internal financial controls are being achieved, and perform the independent reconciliation and validation of extracted data from existing systems and of uploaded data into Business World ERP System).
- Contract Management (Assess governance and internal controls in place over contract monitoring arrangements with third parties including integrated sports and culture trust (Live Borders) and ALEO (SB Cares)).
- Revenues – Council Tax (Assess the application of the Council Tax increase in 2017/18 and the legislative changes to the 2017 Council tax multiplier affecting bands E – H; and Follow-up testing on completeness and accuracy of Council Tax income associated with the new 2016/17 approved policy on second homes, and key controls introduced including application of discretionary exemptions).
- Grants and Following the Public Pound (Follow-up on progress with implementation of previous Recommendations, including the update of the Following the Public Pound code of practice, and the Grants Review Project in support of securing best value).

ICT Governance Audits

3.8 To provide assurances that computer systems are secure, reliable and conform to nationally agreed standards, reviews included:

- ICT Contract Management (Review of client relationship and contract management with CGI contract to assess compliance with Service Delivery and terms and conditions).
- ICT Security Controls (Assess the adequacy of the security arrangements including physical and environmental controls, disaster recovery, third party access, and operational controls – note: covered by PSN assurance work and input to the Council's

response to Scottish Government on the draft public sector action plan on cyber resilience, and consideration of cyber resilience essentials).

- Public Secure Network (PSN) Compliance (Examine the Council's compliance with PSN requirements and progress with implementation of actions required to achieve full compliance. Assess fulfilment of roles and responsibilities within the Council and CGI under contract).

Internal Controls Audits

3.9 To provide assurances in relation to a range of the Council's internal controls in areas identified by Management, reviews included:

- Schools – Peebles HS, Berwickshire HS, Selkirk HS, Morebattle PS, Duns PS and St Boswells PS (Review of internal financial controls and business administrative procedures in place to ensure the efficient and effective use of resources in the school establishments, to complement the assurance received from Education Scotland arising from their inspection programme of schools, including evaluation of the systems in place to set and monitor budgets devolved to head teachers to ensure adherence to DSM standards and practices).
- Community Safety (Evaluate the partnership working within Community Safety to ensure responsibilities and accountabilities of partners are clearly defined and to ensure funds are used effectively and economically for the intended purpose to meet local priorities).
- Children & Young People Services Excursions (Assess what controls and processes are in place to ensure safety of children and young people on excursions).
- Registration Service – additional to the Plan on request by Service Management (Assess whether the Council is complying with the relevant legislation and has adequate controls are in place for registration fees and charges income).

Asset Management Audits

3.10 To provide assurances that Council assets are safeguarded and properly accounted for, and used economically, efficiently and effectively, reviews included:

- Capital Investment (Assess progress with implementation of identified improvement actions to ensure compliance with established good practice by Accounts Commission "Major capital investment in councils" and 'Good Practice Guide' (March 2013) and "Follow-Up" (January 2016) - strategic asset management plans; governance of capital investment; capital planning; review, scrutiny and challenge; capital financial budget monitoring; delivery of the capital programme and capital plan projects).
- Industrial and Business Premises (Assess the corporate governance and financial governance arrangements linked to priorities within the Economic Strategy relating to Industrial and Business Premises and associated estate management including: strategy; development and implementation of infrastructure; demand analysis; estate management end to end processes from lease agreements, voids, and income management).
- Fleet Management (Evaluate controls in place to ensure fleet asset records are complete and accurate and fleet replacement decisions represent value for money. Review procurement practices for compliance and consider options for volume / value invoice processing. Consider repair and maintenance processes and supporting evidence associated with insurance claims).

Legislative and Other Compliance Audits

- 3.11 To test compliance with the terms of the funders' service level agreements or legislative requirements, reviews included:
- EU LEADER Grants (Annual review of LEADER programme required by the Service Level Agreement (SLA) between Scottish Ministers (Managing Authority and the Paying Agency) and Scottish Borders Council (Lead Partner for Scottish Borders Local Action Group) to assess compliance by SBC with the terms of the SLA).
 - European Maritime and Fisheries Fund (Annual audit under the terms of the SLA and legislative compliance including an assessment of compliance with the requirements of the SLA and the relevant EC Regulations).
 - Carbon Reduction (Annual audit as part of the requirement under the Carbon Reduction Commitment Energy Efficiency Scheme prior to the Council's annual submission to Department of Energy and Climate Change).

Consultancy Work

- 3.12 The most significant piece of consultancy work related to the implementation of the new Business World ERP system, with Internal Audit input provided at various workstream team meetings, workshops and the Project Board throughout the year.
- 3.13 In its 'critical friend' role, Internal Audit provided internal challenge on the planned programme of "How Good is Your Council" self-assessment and evidence completed by various Services to support self-evaluation and improvement as part of the Performance Management Framework.
- 3.14 A further piece of consultancy work was delivered on request from Passenger Transport Management. Internal Audit highlighted opportunities by way of a report to Management to improve the effectiveness, efficiency and sustainability of the arrangements for internal recharging of Passenger Transport Services provided to the Children and Young People Service and the Adult Social Care Service through innovation and change.
- 3.15 During the year Internal Audit responded to a number of requests for ad hoc advice and assistance on internal controls, risk management and governance, and considered and applied National Reports that give rise to introducing best practice arrangements or lessons learned from other local authorities or other public sector bodies. This adds value to the Council by influencing and offering ways to enhance the governance and internal control environment in alignment to the Council's strategic priorities.

Other Work

- 3.16 Internal Audit responded to specific control issues highlighted by Managers during the year by incorporating those aspects within specific audit scopes or performing Contingency Audits approved by the Chief Officer Audit & Risk.
- 3.17 Resources were deployed in the delivery of the Follow-up work to check that recommendations have been implemented and to ensure that the new controls had the desired effect on improving internal control and governance. The following table highlights the current position (Source: Pentana performance system as at 10 April 2018) with regards to Internal Audit recommendations arising from current and previous years:

Year identified	Total	Implemented	Not Yet Due	Overdue
2017/18	42	2	33	7
2016/17	10	8	0	2
2015/16	21	21	0	0
2014/15	34	30	4	0

- 3.18 In collaboration with the Corporate Fraud and Compliance Officer, Internal Audit provided intelligence via data sharing requests from Police Scotland, and submission of data sets and case management of data matches arising from the National Fraud Initiative (NFI) exercise as part of the wider assurance framework on counter fraud and crime controls.

Non SBC Work

- 3.19 The Council's Internal Audit service provided independent assurance on the overall risk management, internal control and corporate governance processes for SB Cares (the Council's adult social care ALEO), Scottish Borders Pension Fund, and Scottish Borders Health and Social Care Integration Joint Board. Separate annual audit assurance opinions are reported to their respective Senior Management and Boards, based on the work delivered in accordance with Annual Audit Plans that have been approved by their respective Senior Management and Boards.

4 Public Sector Internal Audit Standards and Quality Assurance & Improvement Plan

- 4.1 The professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) include:
- Definition of Internal Auditing;
 - Code of Ethics;
 - Attribute Standards (Purpose, Authority and Responsibility; Independence and Objectivity; Proficiency and Due Professional Care; Quality Assurance and Improvement Programme);
 - Performance Standards (Managing the Internal Audit Activity; Nature of Work; Engagement Planning; Performing the Engagement; Communicating Results; Monitoring Progress).
- 4.2 An internal self-assessment of Internal Audit practices against the Standards was carried out in 2017/18, as required by the PSIAS, taking into account the improvement actions implemented since the previous year's self-assessment and those arising from the External Quality Assessment Peer Review carried out by Renfrewshire Council in October 2015.
- 4.3 The 2017/18 self-assessment confirms completion of all remaining improvement actions in the Quality Assurance and Improvement Plan and has indicated an improved level of conformance with both the Attribute Standards and Performance Standards and improved evidence of applying the Code of Ethics. The Summary of Conformance with the PSIAS indicates either 'Fully Conforms' or 'Generally Conforms' against the 13 Assessment Areas. Internal Audit conforms with the Definition of Internal Auditing and the Standards.

Jill Stacey BA(Hons) ACMA CGMA
Chief Officer Audit & Risk
13 April 2018

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ANNUAL GOVERNANCE STATEMENT 2017/18 AND LOCAL CODE OF CORPORATE GOVERNANCE

Report by Chief Executive

AUDIT AND SCRUTINY COMMITTEE

14 May 2018

1 PURPOSE AND SUMMARY

- 1.1 This report proposes that the Audit and Scrutiny Committee considers and approves the Annual Governance Statement that will be published in the Council's Statement of Accounts 2017/18 and considers the revisions to the Council's Local Code of Corporate Governance and recommends it for approval by full Council.**
- 1.2 The CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' urges local authorities to review the effectiveness of their existing governance arrangements against their Local Code, and prepare a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.
- 1.3 Part of the Audit and Scrutiny Committee's remit (Audit function) is to assess the effectiveness of internal controls, risk management, and governance arrangements.
- 1.4 The Annual Governance Statement 2017/18 at Appendix 1 details the Governance Framework, including the key elements of the Council's governance arrangements, the Review of Framework outlining the annual review process and overall opinion, and further Improvement Areas.
- 1.5 In terms of overall corporate governance it is the Chief Executive's opinion that, although there are a few areas of work to be completed for full compliance with the Local Code, the overall governance arrangements of the Council are considered sound.
- 1.6 The annual review concluded that revisions are required to the Local Code of Corporate Governance at Appendix 2.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
 - a) Considers the details of the Annual Governance Statement 2017/18 at Appendix 1, and approves the actions identified by Management to improve internal controls and governance arrangements; and**
 - b) Consider the revisions to the Local Code of Corporate Governance of Scottish Borders Council that is attached to this report as Appendix 2, and recommend it for approval by full Council.**

3 BACKGROUND

- 3.1 Scottish Borders Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 3.2 A revised CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (Spring 2016), and associated guidance for Scottish Authorities (November 2016), defines the seven core principles of good governance. The Council approved a revised Local Code of Corporate Governance (Local Code) on 24 August 2017 to reflect the strategic developments and changes to governance, consistent with the principles and requirements of the revised Framework.
- 3.3 The Framework urges local authorities to review the effectiveness of their existing governance arrangements against their Local Code, and prepare a governance statement and report compliance on an annual basis.
- 3.4 Part of the Audit and Scrutiny Committee's remit (Audit function) is to assess the effectiveness of internal controls, risk management, and governance arrangements in place and this includes to 'Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives'¹.

4 ANNUAL GOVERNANCE STATEMENT

- 4.1 In February and March 2018 the officer Governance Self-Assessment Working Group (the 'Group') undertook the annual self-assessment of the effectiveness of internal control and governance arrangements and compliance against the Local Code for the year ended 31 March 2018. The Chief Officer Audit & Risk led on this process as part of HIA² role to be champion for sound governance.
- 4.2 The Group has considered examples of evidence such as systems, processes and documentation to demonstrate local compliance with the Framework's seven core principles of good governance, supporting principles and a range of specific requirements. The Group has evaluated progress with implementation of actions regarding previously identified improvement areas of governance.
- 4.3 The Annual Governance Statement 2017/18 at Appendix 1 sets out the Governance Framework including the key elements of the Council's governance arrangements as set out in the Local Code, the annual Review of Framework undertaken, overall opinion, and Improvement Areas of Governance required to ensure full compliance with the Local Code.
- 4.4 In terms of overall corporate governance it is the Chief Executive's opinion that, although there are a few areas of work to be completed for full compliance with the Local Code, the overall governance arrangements of the Council are considered sound. The Annual Governance Statement 2017/18 is informed by the self-assessment of compliance against the Local Code by the officer Governance Self-Assessment Working Group, the work of Internal Audit, External Audit and Inspection agencies, and by Executives / Service Directors' assurance statements. The Council's Annual Governance Statement 2017/18 will be published in the Scottish Borders Council Annual Report and Statement of Accounts 2017/18.

¹ CIPFA guidance note for local authorities 'Audit Committees' (2013)

² CIPFA 'the role of the head of internal audit in public organisations' (2010)
Audit and Scrutiny Committee 14 May 2018

5 LOCAL CODE OF CORPORATE GOVERNANCE

- 5.1 Fundamentally Corporate Governance is about openness, integrity and accountability. It comprises the systems and processes, and cultures and values by which the authority is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its communities.
- 5.2 Scottish Borders Council aims to meet the highest standards of corporate governance. The Council operates through a governance framework for the conduct of its affairs which brings together an underlying set of legislative requirements, governance principles and management processes.
- 5.3 The Local Code of Corporate Governance for the Council, which is consistent with the principles and requirements of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016), was previously approved by full Council on 24 August 2017 and helps to ensure proper arrangements continue to be in place to meet these responsibilities.
- 5.4 The officer Governance Self-Assessment Working Group during the 2017/18 Review of Framework concluded that revisions are required to the Local Code of Corporate Governance to ensure it reflects the changing context of Scottish Borders Council and continues to be a value-added tool for members and officers of the Council in the conduct of the Council's affairs. This is at Appendix 2.
- 5.5 The main changes to the Local Code cover:
- Reflecting the post-local elections new arrangements e.g. Administration and its priorities, committee structures and functions;
 - Updating partnership and council strategic plans e.g. Scottish Borders Community Plan, and Council Corporate Plan 2018-2023;
 - Further developments in community and citizen consultation and engagement activities; and
 - Enhancements to developing the capacity and capability.

6 IMPLICATIONS

6.1 Financial

There are no direct financial implications arising from this report.

6.2 Risk and Mitigations

The Annual Governance Statement 2017/18 details areas where additional work would further enhance the internal control environment, or improve risk management, and corporate governance arrangements. The review of and revisions to the Local Code of Corporate Governance will ensure that internal controls, risk management and other governance arrangements are improved through the implementation of the framework.

6.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religious/belief arising from the work contained in this report.

6.4 Acting Sustainably

Core principle of good governance "C. Defining outcomes in terms of sustainable economic, social, and environmental benefits" is included within the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016). The officer Governance Self-Assessment Working Group considered examples of evidence such as systems, processes and documentation to demonstrate local compliance with all the Framework's seven core principles of good governance, supporting principles and a range of specific requirements.

6.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

6.6 Rural Proofing

This report does not relate to a new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

7 CONSULTATION

7.1 The Corporate Management Team has been engaged in the governance annual assurance process 2017/18 and has been consulted on the report and appendices and any comments received have been incorporated.

7.2 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Human Resources, the Clerk to the Council and the Corporate Risk Officer have been consulted on the report and appendices and any comments received have been incorporated.

Approved by

Chief Executive, Tracey Logan

Signature

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit & Risk Tel: 01835 825036

Background Papers: CIPFA/SOLACE framework 'Delivering Good Governance in Local Government'; Scottish Borders Council Local Code of Corporate Governance

Previous Minute Reference: Audit and Risk Committee 28 March 2017

Note – You can get this document on tape, in Braille, large print and various computer formats by using the contact details below. Information on other language translations can also be given as well as provision of additional copies.

Contact us at Internal Audit intaudit@scotborders.gov.uk

Annual Governance Statement 2017/18

Introduction

The Annual Governance Statement explains how the Council has complied with the terms of the new CIPFA/SOLACE Framework (2016) for the year ended 31 March 2018, sets out the Council's governance arrangements and system of internal control, and reports on their effectiveness. The statement also covers relevant governance matters as they affect those entities included as part of the Council's Group Accounts.

Scope of Responsibility

Scottish Borders Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a statutory duty of Best Value under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement and performance, while maintaining an appropriate balance between quality and cost; and in making these arrangements and securing that balance, to have regard to economy, efficiency and effectiveness.

In discharging this overall responsibility, elected members and senior officers are responsible for putting in place proper arrangements for the governance of Scottish Borders Council's affairs and facilitating the exercise of its functions in a timely, inclusive, open, honest and accountable manner. This includes setting the strategic direction, vision, culture and values of the Council, effective operation of corporate systems, processes and internal controls, engaging with and, where appropriate, lead communities, monitoring whether strategic objectives have been achieved and services delivered cost effectively, and ensuring that appropriate arrangements are in place for the management of risk.

The system can only provide reasonable and not absolute assurance of effectiveness.

Framework for Good Governance

The overall aim of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (Spring 2016) (the 'Framework') is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The 'Framework' defines the seven core principles of good governance, namely:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Revisions were required to the Council's Local Code of Corporate Governance during 2016/17 to ensure it reflects the changing context of Scottish Borders Council and is consistent with the principles and recommendations of the 'Framework' and the supporting guidance notes for Scottish authorities (November 2016). This was approved by Council on 24 August 2017 on recommendation by Audit and Scrutiny Committee in June 2017 and a copy of the Local Code of Corporate Governance was published on the Council's website.

The Governance Framework

The Council's Local Code of Corporate Governance sets out the framework and key principles, which require to be complied with, to demonstrate effective governance. The key elements of the Council's governance arrangements as set out in the Local Code include:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law

The roles and responsibilities of elected members and officers and the processes to govern the conduct of the Council's business are defined in procedural standing orders, scheme of administration, scheme of delegation, and financial regulations which are regularly reviewed and revised where appropriate.

Codes of conduct are in place for, and define the high ethical values and standards of behaviour expected from, elected members and officers to make sure that public business is conducted with fairness and integrity.

The Monitoring Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. An annual report is presented to the Standards Committee on councillors' compliance with the ethical standards framework.

The Council seeks feedback from the public through its complaints and comments procedures for Corporate and Social Work (statutory) service areas, responds to the outcomes, as appropriate, and reports the results annually.

Professional advice on the discharge of statutory social work duties is provided to the Council by the Chief Social Work Officer (CSWO). The CSWO promotes values and standards of professional practice and acts as the 'agency decision maker' taking final decisions on a range of social work matters including adoption, secure accommodation, guardianship, etc.

B. Ensuring openness and comprehensive stakeholder engagement

Council meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality.

Unless confidential, decisions made by Council, the Executive Committee or other Committees are documented in the public domain. All decisions are explicit about the criteria, rationale and considerations used. The impact and consequences of all decisions are clearly set out.

The Council seeks community views on a wide range of issues and undertakes regular consultation and engagement with citizens and service users, for example via Citizen Space. The Scottish Borders CPP Community Engagement Framework (2015) sets out principles for engagement and the Toolkit shares best practice methods.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Community Planning Partnership (of which the Council is a partner) has a Community Plan approved November 2017 (the Local Outcomes Improvement Plan (LOIP)) underpinned by 5 Locality Plans which are being developed through Area Partnerships for approval in 2018. The Council's vision, strategic objectives and priorities underpinned by the Strategic Assessment are reflected in the new Corporate Plan 2013-2018 approved February 2018 which suggests where individuals, families, businesses, partners and communities can "play their part" to improve outcomes for the Scottish Borders #YourPart.

Asset management planning (which is under development) and capital investment is structured to consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. The Council has put arrangements in place to comply with key elements of the Community Empowerment Act.

Equalities as well as environmental and rural implications are considered during the decision making process to promote fair access to services.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Decision makers receive detailed information indicating how intended outcomes would be achieved together with the risks, financial and other implications associated with the proposals, by way of the compulsory sections of the Committee report.

In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders. Community benefit is an important consideration in the procurement of goods and services.

The Council fosters effective relationships, collaborative working and contractual arrangements with other public, private, and voluntary organisations in delivering services that meet the needs of the local community as stated in the Council's Corporate Plan.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The corporate management structure consists of the Chief Executive and nine Executive/Service Directors. The roles of officers are defined in agreed job profiles. Staff performance is reviewed on an annual basis in accordance with the performance review and development (PRD) process in place during the year but subject to review and change.

The Chief Executive is responsible and accountable to the Council for all aspects of management including promoting sound governance, providing quality information/support to inform decision-making and scrutiny, supporting other statutory officers, and building relationships with all Councillors.

The Elected Members Development Programme includes the comprehensive Induction programme which is periodically supplemented by additional training and an annual programme of learning and development and briefings. Members appointed to certain committees have also received specific training related to the responsibilities on these committees e.g. licensing, planning, audit, pensions, employment.

F. Managing risks and performance through robust internal control and strong public financial management

The Council which has overall responsibility for directing and controlling the organisation has approved an Executive / Scrutiny model of decision making. The Executive Committee is the key decision-making and monitoring committee and the Audit and Scrutiny Committee (Scrutiny function) for reviewing policy decisions.

The Council has a risk management policy and approach whose main priorities are the robust systems of identification, evaluation and control of risks which threaten the Council's ability to meet its objectives to deliver services to the public.

The Chief Financial Officer (the Section 95 officer) is responsible for the proper administration of all aspects of the Council's financial affairs including ensuring appropriate advice is given to the Council on all financial matters.

The Council's system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability.

The Council has a proactive, holistic approach to tackling fraud, theft, corruption and crime, as an integral part of protecting public finances, safeguarding assets, and delivering services effectively and sustainably.

A Medium Term Financial Strategy, and associated Risk Register, and plans for revenue (5-year) and capital (10-year) based on corporate priorities are developed, led by the Corporate Management Team, and presented for approval by Council in February each year, along with the Corporate Transformation Programme proposals.

Revenue and Capital Budget Monitoring reports are presented to the Executive Committee on a quarterly basis for monitoring and control purposes including the annual outturn. The Management Commentary in the Statement of Accounts provides financial and other performance information regarding the operation of the Council, its wider achievements and areas for development.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Chief Officer Audit & Risk (Chief Audit Executive) provides an independent and objective annual opinion on the effectiveness of internal control, risk management and governance based on work carried out by an in-house Internal Audit team in conformance with the Public Sector Internal Audit Standards. The audit opinion within the Internal Audit Annual Assurance Report 2017/18 states that the systems of internal control and governance are operating satisfactorily, reasonable assurance can be provided on their adequacy, and further improvements have been agreed by Management. Resources have been deployed to address issues with new Business World ERP system, including delays in delivery of some functionality, and to establish manual controls, where appropriate, in the interim. The Project Board monitors realisation of expected business benefits.

The Council responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies including associated Action Plans for improvement. The Audit and Scrutiny Committee is integral to overseeing independent and objective assurance and monitoring improvements in internal control and governance.

Review of Framework

The Council carries out an annual review of the effectiveness of its overall governance framework which is presented to the Audit and Scrutiny Committee whose Audit role includes high level oversight of the Council's governance, risk management, and internal control arrangements.

The review was informed by the work of an officer Governance Self-Assessment Working Group which undertook an annual self-assessment against the Council's Local Code of Corporate Governance consistent with the principles and recommendations of the 'Framework'. This group has responsibility for monitoring compliance with the Local Code and making recommendations to ensure continuous improvement of the systems in place.

The review was also informed by assurances from: the Executive / Service Directors, who have responsibility for the development and maintenance of the governance environment within their directorates and services and who in turn identify actions to improve governance at a strategic level; the Chief Officer Audit & Risk's annual assurance report on the work of Internal Audit and independent opinion on the adequacy and effectiveness of the systems of internal control and governance; and comments made by External Auditors and other external scrutiny bodies and inspection agencies.

The conclusion from the review activity outlined above is that in 2017/18 the Council continued to demonstrate that the governance arrangements and framework within which it operates are sound and effective, and are consistent with the principles and recommendations of the 'Framework'.

The Chief Financial Officer has highlighted one exception in his assurance statement being the ongoing rectification plan to address deficiencies in the Business World ERP system and the delayed delivery of outstanding functionality, specified in Solution Design Documents, and intended to deliver significant business benefits which remain outstanding, have impacted upon the full effectiveness of the control environment and heightened risk of a control failure during the year. To mitigate this risk, as far as is possible, staff resources have consequently been deployed to sorting defects, performing manual reconciliation processes to address areas where system functionality has not been operating effectively for much of the year e.g. bank reconciliation, and resolving system generated errors. This has required significant manual effort, a series of workarounds, and the procurement of additional consulting time.

Improvement Areas of Governance

The collective review activity outlined above has identified the following areas where further improvement in governance arrangements can be made to enhance compliance with the Local Code:

- 1) In light of the on-going significant challenges in addressing cost pressures and responding to the changes in government funding: (i) continue to ensure that financial, people and business plans are developed concurrently and continue to be aligned to the Council's Corporate Plan and priorities thus managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available; and (ii) continue to monitor the contract performance outcomes of strategic external service providers.
- 2) Review and refresh of the Performance Management Framework to ensure it aligns with the new Corporate Plan and informs improvement activity and decision making. This will include the full application of appropriate and proportionate self-assessment processes in all Council services as a self-evaluation tool to demonstrate achievement of Best Value, acting as a focus for evidencing value for money in service provision and linked to financial, people and business planning.
- 3) The ongoing implementation of the rectification plan to address deficiencies in the Business World ERP system and the delayed delivery of outstanding functionality, specified in Solution Design Documents, and subsequent review of Financial Regulations, policies, procedures and guidelines of the key financial planning, management and administration processes linked to the Financial Regulations and of the HR procedures and guidelines associated with the implementation of the new Business World ERP System.

- 4) Prioritisation of Corporate Transformation Programme and other Projects to ensure adequate resources are appropriately allocated and that there is confidence in the delivery of improvements and savings to enable delivery of efficient and effective services to customers in a sustainable way.
- 5) Implementation of further actions to ensure comprehensive data and information management across the Council and within each Service in all relevant aspects of service delivery through appropriate awareness of and adherence to procedures, practices and guidelines to ensure full compliance with legislation and regulations, both current and planned e.g. GDPR.
- 6) Review of the Complaints Handling Procedure to ensure consistency of approach across the Council for dealing with complaints including raising staff awareness of customer care.
- 7) Implementation of the Corporate Landlord Model (one of the Corporate Transformation Programmes) that underpins the development and implementation of a standardised framework for reviewing strategic asset management plans to inform investment in assets and infrastructure to ensure they are fit for the future.

These actions to enhance the governance arrangements in 2018/19 are incorporated where appropriate within the Council's service directorate business plans and their implementation and operation will be driven and monitored by the Corporate Management Team in order to inform the next annual review. Internal Audit work planned in 2018/19 is designed to test improvements and compliance.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Scottish Borders Council's systems of internal control and governance. Although areas for further improvement have been identified the annual review demonstrates sufficient evidence that the Council's Local Code of Corporate Governance is operating effectively and that the Council complies with that Local Code in all significant respects.

Tracey Logan
Chief Executive
mm 2018

Councillor Shona Haslam
Leader of the Council
mm 2018

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Scottish Borders Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council operates through a governance framework for the conduct of its affairs which brings together an underlying set of legislative requirements, governance principles and management processes. The Council's revised Local Code of Corporate Governance, which is consistent with the principles and requirements of the CIPFA/SOLACE Framework 2016 "Delivering Good Governance in Local Government", will help to ensure proper arrangements continue to be in place to meet the Council's responsibilities.

The concept underpinning the Framework is that it assists local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework helps authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities
- there is sound and inclusive decision making
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The environment in which it works local government is increasing in complexity. The Public Bodies (Joint Working) (Scotland) Act 2014 and other legislation have brought about new roles, opportunities and greater flexibility, as well as challenges for authorities.

The development of new structures, such as health and social care partnerships, necessitates the design of governance structures from the bottom up, ensuring that the core principles of good governance covering openness and stakeholder engagement, defining outcomes, monitoring performance and demonstrating effective accountability are integrated and embedded within the new structures and that mechanisms for effective scrutiny are established.

Whether working with other authorities, public sector bodies, the third sector or private sector providers, local authorities must ensure that robust governance arrangements are established at the outset. The 'Framework' defines the seven core principles of good governance, which the Council fully supports, namely:

- (i) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- (ii) Ensuring openness and comprehensive stakeholder engagement
- (iii) Defining outcomes in terms of sustainable economic, social, and environmental benefits
- (iv) Determining the interventions necessary to optimise the achievement of the intended outcomes
- (v) Developing the entity's capacity, including the capability of its leadership and the individuals within it
- (vi) Managing risks and performance through robust internal control and strong public financial management
- (vii) Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Scottish Borders Council aims to meet the highest standards of corporate governance to help ensure that it meets its objectives. It will test its structure against these principles by:

- Reviewing its existing governance arrangements against the 'Framework'
- Developing and maintaining an up-to-date Local Code of Governance including arrangements for ensuring its ongoing application and effectiveness
- Preparing a governance statement (Annual Governance Statement) in order to report publicly on the extent to which it complies with its own code on an annual basis, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes for the coming period.

The preparation and publication of an Annual Governance Statement in accordance with the Framework fulfils the statutory requirement for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts. This process not only creates an opportunity for the Council to set out its standards for good governance but also to ensure that its governance arrangements are seen to be sound. This is important as the governance arrangements in public services are closely scrutinised.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

A1 Behaving with integrity

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	Standards are set out in the Councillors Code of Conduct. Employees Code of Conduct reflects the values of the Council, incorporates “The Seven Principles of Public Life” identified by the Nolan Committee on Standards in Public Life, and includes Whistleblowing Policy. The Performance Appraisal scheme in place for officers (PRD) is based upon the Council’s Values and Standards and includes Demonstrating Positive Behaviours.
2	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	The Corporate Plan (led by CMT, approved by Council and published on website) sets out the Council’s vision, values and standards to guide the way it works and to inform strategies and policies based on priorities.
3	Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Declarations of Interest are set out in the Council's Procedural Standing Orders which govern the conduct of each Committee meeting. Members Registers of Interest is published on the Council’s website. Monitoring Officer produces an Annual Report to the Standards Committee in accordance with Monitoring Officer Protocol (best practice).
4	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	Counter Fraud Policy and Strategy approved by Council. Councillors and Employees Codes of Conduct outline the arrangements for identifying, mitigating and recording conflicts of interest, hospitality and gifts. Declarations of Interest are set out in the Council's Procedural Standing Orders which govern the conduct of each Committee meeting. Members Registers of Interest is published on the Council’s website. Employees Code of Conduct includes Whistleblowing Policy. Complaints and comments policy and procedures in place for both Corporate and Social Work (statutory) service areas. Annual Complaints Reports to relevant committee. Chief Social Worker Annual Report presented to Council.

A2 Demonstrating strong commitment to ethical values

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Seeking to establish, monitor and maintain the organisation's ethical standards and performance	Annual Governance Statement is the outcome of self-evaluation of compliance. The Audit and Scrutiny Committee remit (as part of its Audit functions) includes role to ensure the highest standards of probity and public accountability are demonstrated.
2	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	Standards of conduct and behaviour including communication are set out in the Councillors and Employees Codes of Conduct (embodies Nolan principles). Induction programmes include the above to ensure competency.
3	Developing and maintaining robust policies and procedures	Employees Code of Conduct reflects the values of the Council, incorporates "The Seven Principles of Public Life" Council's values from Corporate Plan are included within PRD templates for appraisal.
4	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	Council's values from Corporate Plan are included within the Procurement Charter for external suppliers. Council policies and standards are incorporated into SB Cares service performance agreement.

A3 Respecting the rule of law

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Advice and overseeing compliance on legal matters is provided by the Chief Legal Officer, the Monitoring Officer and the Clerk to the Council as set out in Scheme of Delegation, job descriptions, and protocols.
2	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	The Scheme of Delegation sets out the roles and responsibilities of statutory officers (Chief Executive, Chief Social Work Officer, Chief Financial Officer, and Monitoring Officer). Membership of Professional Bodies is required.
3	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	The Local Code of Corporate Governance includes Scheme of Administration, Procedural Standing Orders, Scheme of Delegation and Financial Regulations which reflect the legal requirements placed upon the authority.
4	Dealing with breaches of legal and regulatory provisions effectively.	The Service Director Regulatory Services fulfils the Monitoring Officer statutory role. Advice and overseeing compliance on legal matters is provided by the Chief Legal Officer, the Monitoring Officer and the Clerk to the Council as set out in Scheme of Delegation, job descriptions, and protocols.
5	Ensuring corruption and misuse of power are dealt with effectively	Counter Fraud Policy and Strategy approved by Council. Counter Fraud Annual Report presented to Audit and Scrutiny Committee including assurance self-assessment.

B. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

B1 Openness

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	The Corporate Plan (led by CMT, approved by Council and published on website) sets out the Council's vision, values and standards (including "Be fair, equal and open") to guide the way it works and to inform strategies and policies based on priorities. Compliance with Data Protection and Freedom of Information legislation.
2	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	Calendar of main Council and Committee meetings. Minutes and committee reports are published on the Council's website. Council meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality.
3	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	Committee report templates include a section on implications covering financial, risks and mitigations, equalities, environmental, rural, schemes. Guidance on preparing Committee reports includes mandatory consultation in advance with the Chief Legal Officer, Chief Financial Officer, Monitoring Officer, Clerk to the Council, Chief Officer HR, and Chief Officer Audit and Risk. Calendar of main Council and Committee meetings. Committee reports are published on Council's website one week in advance of meeting dates.
4	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	The Scottish Borders Community Planning Partnership (SBCPP) Community Engagement Framework (2015) sets out principles for engagement and the Toolkit shares best practice methods and enables engagement activities to be delivered in a consistent, cost effective and transparent manner.

B2 Engaging comprehensively with institutional stakeholders

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	Engage and communicate with institutional stakeholders in an appropriate manner e.g. health and social care integration; Scottish Borders Council is a partner in the Scottish Borders Health & Social Care Partnership along with NHS Borders through which there has been an extensive process of engagement leading to the publication of Locality Plans in October 2017 for integrated health and social care joint services.
2	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	The SBCPP Community Engagement Framework (2015) sets out principles for engagement and toolkit provides prompt lists of stakeholders.

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
3	<p>Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> • trust; • a shared commitment to change; • a culture that promotes and accepts challenge among partners; and • that the added value of partnership working is explicit 	<p>The Strategic Assessment underpins the strategic vision for the Council and its partners and the commitment to change.</p> <p>The SBCPP Community Engagement Framework (2015) sets out principles for engagement and toolkit provides prompt lists of stakeholders. The SBCPP Governance Structure provides forum for challenge, and themes and priorities include sub-groups to support delivery. The SBCPP Improvement Action Plan arising from Audit Scotland review states Performance Management Framework is in development.</p> <p>SBC Support resources in kind e.g. to SB Cares, Live Borders, Integration Joint Board.</p> <p>SBC Elected Members are appointed to the Scottish Borders Health and Social Care Integration Joint Board.</p>

B3 Engaging stakeholders effectively, including individual citizens and service users

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	<p>Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</p>	<p>The SBCPP Community Engagement Framework (2015) sets out principles for engagement and toolkit provides prompt lists of stakeholders.</p> <p>The Scottish Borders Health & Social Care Partnership's Strategic Plan 2016-2019 was developed following consultations with interested parties including members of the public, therefore highly co-produced.</p>
2	<p>Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p>	<p>The Community Plan produced in conjunction with local partners in public services, the private sector, voluntary sector and communities focusses on themes and includes targets and challenges in the plan.</p>
3	<p>Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p>	<p>The SBCPP Community Engagement Framework (2015) sets out principles for engagement and toolkit provides prompt lists of stakeholders.</p> <p>SBC also has its own tool kit which is more prescriptive.</p> <p>SBC seeks community views on a wide range of issues and undertakes regular consultation and engagement with citizens and service users, for example via Citizen Space. The Council has put arrangements in place to comply with key elements of the Community Empowerment Act.</p>
4	<p>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.</p>	<p>The SBCPP Community Engagement Framework (2015) sets out principles for engagement and toolkit provides prompt lists of stakeholders.</p>
5	<p>Taking account of the interests of future generations of tax payers and service users</p>	<p>The Strategic Assessment is the body of evidence which underpins the strategic vision for the Council and its partners.</p> <p>Local Housing Strategy led by Council working with 4 main RSL's towards delivering future housing needs.</p> <p>School-Employer partnerships as part of developing the Young Workforce objectives and priorities (The Wood Report).</p> <p>SBC Elected Members are appointed to the Scottish Borders Health and Social Care Integration Joint Board.</p>

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

C1 Defining outcomes

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Having a clear vision which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions	<p>The Community Planning Partnership (of which the Council is a partner) has a Community Plan approved November 2017 (the Local Outcomes Improvement Plan (LOIP)) underpinned by 5 Locality Plans which are being developed for approval in 2018 with community planning partners. The Council’s vision, strategic objectives and priorities underpinned by the Strategic Assessment are reflected in the Council’s new Corporate Plan 2018-2023 approved by Council.</p> <p>The LOIP is essentially partnership-based and sets out measures for reducing inequality and improving outcomes, thereby setting context for future service planning.</p> <p>The Scottish Borders Health & Social Care Partnership’s Strategic Plan 2016-2019 sets out the vision, strategic objectives and outcomes related to integrated health and social care services.</p>
2	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	Decision-making reports to Committees outlining any proposals to change policies, strategies and plans include a section on implications covering financial, risks and mitigations, equalities, environmental, rural and governance.
3	Delivering defined outcomes on a sustainable basis within the resources that will be available	The Council has approved an Executive / Scrutiny model of decision making. The Executive Committee is the key decision-making and monitoring committee, and the Audit and Scrutiny Committee (through its scrutiny functions) reviews the achievement of policy objectives and priorities.
4	Identifying and managing risks to the achievement of outcomes	<p>Risk Management Policy and Strategy approved by the Council.</p> <p>Risk management practice embedded in business planning and performance management processes, underpinned by a corporate training programme.</p>
5	Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available	The Council’s Performance Management Framework establishes the mechanism for all services across the Council to ensure the Council meets its legal duty to provide best value to people. There is annual development and monitoring of Service plans and PIs which are aligned to Priorities. This includes a self-assessment process to evaluate actual versus standard service quality. A revised Performance Management Framework in alignment with the new Corporate Plan 2018-2023 will be brought back to Council in August 2018 for approval.

C2 Sustainable economic, social and environmental benefits

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	Project Business Cases for Capital Programme include assessment of need and strategic fit. As part of this asset life, as well as social and economic impact, is implicitly considered. Strategic Asset Management Plans (SAMPs) are being developed. Plans focus on social, economic, equality and regeneration using a locality approach. The approved Corporate Landlord Model is one of the 5 Corporate Transformation Programmes with engagement and discussion through Area Partnerships. The Council has put arrangements in place to comply with key elements of the Community Empowerment Act.
2	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	The Corporate Transformation programme was approved to respond to the social, economic and demographic challenges facing the Council and still deliver high quality and improved services.
3	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	Decision-making reports to Committees outlining any proposals to change policies, strategies and plans include a section on implications covering financial, risks and mitigations, equalities, environmental, rural and governance.
4	Ensuring fair access to services	Rural Proofing Policy and Committee reports include section on Rural implications Equality Impact Assessments relating to any new proposals; Equality Mainstreaming Report being prepared. Ensure consistent application of EIAs at approval and review during implementation.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

D1 Determining interventions

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	Decision-making reports to Committees outlining any proposals to change policies, strategies and plans include a section on implications covering financial, risks and mitigations, equalities, environmental, rural, governance. Guidance on preparing reports for Committees. Committee reports are published on Council's website one week in advance of meeting dates. Officers attend Committee meetings to advise as appropriate.
2	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	Public engagement and communication as part of Financial Planning Process to reflect reducing resources e.g. Dialogue Community Engagement Tool, Q&A with Executive Members. Asset Reviews in tandem with Locality Plans. Citizen's views form outline for property rationalisation / prioritisation. Actions taken subject to Community Empowerment Act.

D2 Planning interventions

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	Calendar of main Council and Committee meetings.
2	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	For example, Community Engagement Toolkit, Member / Officer Working Groups, TU consultation forums, Area Partnership meetings, #YourPart in Corporate Plan, social media Q&A for budget.
3	Considering and monitoring risks facing each partner when working collaboratively including shared risks	Risk Management Policy; improvement required on identification and management of shared risks.
4	Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	Business Planning, Financial Planning and People Planning processes aligned to Corporate Plan priorities and developed concurrently for 2018/19. The Corporate Transformation Programme sets out a far-reaching programme of change to enable the Council to respond to unprecedented social, demographic and economic challenges. The Programme supports the delivery of the Council's 8 Corporate Priorities and the delivery of the significant savings set out in the Financial Strategy and Plans.

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
5	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	Performance Management Framework approved by Council. KPIs set out in Corporate Plan / Business Plans reported monthly to CMT based on availability and within themes. Quarterly performance reporting to Executive Committee in themes; published on website. KPIs performance reporting feed through to wider partnerships including IJB performance reporting.
6	Ensuring capacity exists to generate the information required to review service quality regularly	Consolidated Business Management resources. Business Intelligence Programme is being developed with a view to delivering improvements to the quality of that data and the quality of management information and management reporting and assurance practices.
7	Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan	Themed savings in Revenue plans. Project Business Cases for Capital Programme include assessment of need and strategic fit.
8	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	Medium Term Financial Strategy and plans for revenue (5-year) and capital (10-year) based on priorities led by CMT. Corporate Plan led by CMT reflects Priorities.

D3 Optimising achievement of intended outcomes

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	Medium-Term Financial Strategy approved alongside Resources and Financial Plans.
2	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	Corporate financial planning process led by CMT; new obligations reflected in plan.
3	Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	Medium-Term Financial Strategy approved in February each year. The Corporate Transformation Programme supports the delivery of the Council's 8 Corporate Priorities and the delivery of the significant savings set out in the Financial Strategy and Plans.
4	Ensuring the achievement of 'social value' through service planning and commissioning <i>(Social Value is technically referred to as Community Benefit in Scotland)</i>	'Adding Value for Communities through Procurement' community benefit guidance policy (March 2014) is intended to ensure that wider local economic and social issues are considered when delivering construction works, service or supplies contracts. This delivery of additional benefit beyond the core purpose of a contract opportunity can help to maximise the impact of public sector spending on local communities. This is achieved through the inclusion of specific clauses within contracts known as 'community benefit clauses'. The 'Procurement and Contract Standing Orders' (July 2017) apply to all contracts made by or on behalf of the Council for the procurement of the execution of works, the supply of goods and materials to the Council, and/or for the provision of services..

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

E1 Developing the entity's capacity

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	CMT Away Days – review progress of Corporate Transformation Programme. Senior Managers events – focus on transformation.
2	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently	Performance Management Framework approved by Council. Local Government Benchmarking Framework; data submission August each year.
3	Recognising the benefits of partnerships and collaborative working where added value can be achieved	Options considered as part of cost rationalisation / corporate transformation relating to strategic service provision via third parties e.g. SB Cares, Live Borders, ICT Contract with CGI
4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	People Planning Process completed across the Council, and ongoing updates underway. Organisation-wide Strategic People Plan developed.

E2 Developing the capability of the entity's leadership and other individuals

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	Regular meetings are held between Chief Executive and Leader.
2	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	The Council's Code of Corporate Governance, which is reviewed on a regular basis, includes Scheme of Administration, Procedural Standing Orders, Scheme of Delegation and Financial Regulations which reflect the powers delegated to specific committees and officers to enable effective and efficient fulfilment of their roles.

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
3	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	Regular meetings are held between Chief Executive and Leader. The Chief Executive is a Statutory post with job description. Responsibilities delegated to Chief Executive are detailed within the Scheme of Delegation.
4	Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:-	Induction Programme and access to Courses, Seminars and e-learning. Members Briefings Staff Team Briefings
-	- ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged	'Introduction to becoming a Councillor' programme in advance of local elections (best practice) and a comprehensive Induction programme post-local elections. Ongoing training programme (including e-learning, seminars and courses) for all staff and elected members, including an annual programme of learning and development and briefings for elected members. Training provided to elected members and officers in areas of identified need e.g. licensing, planning, employment, pension, audit, and data protection. CMT Away Days, Senior Manager Events and relaunch of Managers Training.
-	- ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis	Identification of training needs for elected members as part of Elected Members Development Programme. Development and performance review process in place for all employees (PRD) which is under review and change to reflect a competencies and behaviour-based approach.
-	- ensuring personal, organisational and system wide development through shared learning, including lessons learnt from both internal and external governance weaknesses	People Planning Process and toolkit; improvement required on full compliance and consistency across Services. Work Opportunities policy.
5	Ensuring that there are structures in place to encourage public participation	The SBCPP Community Engagement Framework (2015) sets out principles for engagement and the Toolkit shares best practice methods and enables engagement activities to be delivered in a consistent, cost effective and transparent manner.
6	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	. A progress update against Corporate Plan 2013-2018 on a number of key pieces of work identified as required to address each of the 8 corporate priorities in that plan was included as an Appendix with the new Corporate Plan 2018-2023 presented to Council in February 2018. Annual self-evaluation of effectiveness of Audit and Scrutiny Committee against best practice guidance and Annual Report to Council thereon.
7	Holding staff to account through regular performance reviews which take account of training or development needs	Development and performance review process in place for all employees (PRD).
8	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	HR Attendance Management Policy and Procedure. Occupational Health arrangements and Employee Assistance Programme (Contract with PAM). Employee Benefits roll-out. HR Training – Mindfulness and Personal Resilience; 'Small Changes Big Differences'.

F. Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

F1 Managing risk

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	Risk management practice embedded in business planning and performance management processes. Corporate, Strategic and Operational risk registers, programme and project risk registers, and partnership risk registers developed. Committee Report templates include a section on implications covering risks and mitigations.
2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	Risk Management Policy and Strategy scrutinised by Audit and Scrutiny Committee and then approved by the Council. Risk Management Annual Report to enable Audit and Scrutiny Committee to evaluate effectiveness of managing risk. Improvement Plan includes management engagement and more consistent application across service areas.
3	Ensuring that responsibilities for managing individual risks are clearly allocated	Risk Management Policy sets out Roles and Responsibilities to manage risks effectively.

F2 Managing performance

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review	Monitoring and progress reports on the Corporate Transformation Programme, Financial Plans and Corporate Performance are presented quarterly to Executive Committee for monitoring and review purposes. Public Performance Reporting published on Council's website.
2	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	Reports to Committees include a section on implications covering financial, risks and mitigations, equalities, environmental, rural, and governance. Committee reports are published on Modern.gov one week in advance of meeting dates. Guidance on preparing Committee reports.

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
3	<p>Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system)</p> <p>Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</p> <p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p>	<p>The Council's scrutiny arrangements are established through the Scheme of Administration (approved November 2017; amended December 2017) through committee structures and specified remits.</p> <p>The Audit and Scrutiny Committee's main scrutiny function is for monitoring and reviewing policy decisions, and to also act as a focus for value for money and service quality exercises.</p> <p>The Audit and Scrutiny Committee agenda and minutes are published on Modern.gov</p>
4	<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p>	<p>Calendar of meetings approved by Council in advance. Timetables for preparation of and consultation on reports to meet publication dates.</p>
5	<p>Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)</p>	<p>Code of Corporate Governance documents includes Procedural Standing Orders and Financial Regulations which are reviewed on a regular basis.</p>

F3 Robust internal control

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	<p>Aligning the risk management strategy and policies on internal control with achieving objectives</p>	<p>Risk Management Policy and Strategy scrutinised by Audit and Scrutiny Committee (Audit function) and then approved by the Council.</p> <p>Risk-based Internal Audit plans and reports approved by Audit and Scrutiny Committee.</p>
2	<p>Evaluating and monitoring risk management and internal control on a regular basis</p>	<p>Risk Management Annual Report to enable Audit and Scrutiny Committee (Audit function) to evaluate effectiveness of managing risk.</p>
3	<p>Ensuring effective counter fraud and anti-corruption arrangements are in place</p>	<p>Counter Fraud Policy and Strategy approved by the Council scrutinised by Audit and Scrutiny Committee (Audit function) to enable monitoring of the counter fraud actions and resources to mitigate fraud risks.</p> <p>Improvement Plan includes compliance with CIPFA Code of Practice on Managing the Risk of Fraud.</p>
4	<p>Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p>	<p>Internal Audit assurance as part of preparation of the Council's Annual Governance Statement.</p> <p>Reports to Audit and Scrutiny Committee (Audit function) on provision of Internal Audit statutory service and conformance with Public Sector Internal Audit Standards (PSIAS).</p>
5	<p>Ensuring an Audit and Scrutiny Committee or equivalent group or function which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> - provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment - that its recommendations are listened to and acted upon 	<p>The role of the Audit and Scrutiny Committee (Audit function) is to have high-level oversight of internal control, governance and risk management.</p> <p>Independence is maintained through membership of those not on the Executive Committee.</p> <p>Learning & development includes Induction, seminars and individual sessions.</p> <p>Annual self-evaluation of effectiveness of Audit and Scrutiny Committee (Audit function) against best practice guidance and Annual Report to Council thereon (best practice).</p>

F4 Managing data

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	<p>Information Governance Policy and Framework in place. The Council's Senior Information Risk Owner (SIRO) has overall responsibility for Information Management and is chair of the Information Governance Group (IGG). The IGG meets regularly and follows an agreed themed programme of work: Records Management; Information Access; Information Security; and Information Governance. The Information Manager leads the Information Team within Legal Services, reporting to Chief Legal Officer and SIRO.</p> <p>Information Management Procedures available on the Intranet include: Data Protection; Data Sharing; Freedom of Information; Information Management and Records Management (Retention and Disposal).</p> <p>Information Technology Policies and Procedures available on the Intranet include: Email & Internet Use Policy; Information Security Policy; Protective Marking Policy.</p> <p>Information Asset Registers are being developed. The Records Management Plan has been agreed by Keeper of Records Scotland. Work is ongoing to implement remaining Improvement Actions and further work is planned to enable compliance with General Data Protection Regulation, due to come into force May 2018.</p>
2	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	<p>Procedures Protocol on sharing of information are published on the Intranet:</p> <ul style="list-style-type: none"> • General Protocol for Sharing Information • Privacy by Design Guidance and prompt list • Sharing Information Code of Practice <p>Register of Data Sharing agreements is in place (for PSN Compliance). Monitoring through an annual Audit by the Information Management Team.</p>
3	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<p>Quality and Validation of data used in decision making and performance reporting is the responsibility of the service area, ultimately the Service Director.</p> <p>Internal Audit annual reviews on Performance Management cover validation of the KPI data submitted for Local Government Benchmarking Framework and for Corporate Priorities.</p> <p>The Executive Committee has responsibility for monitoring and challenge including the quality of data relating to decision making.</p>

F5 Strong public financial management

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance	<p>Medium Term Financial Strategy and plans for revenue (5-year) and capital (10-year) based on priorities, led by CMT, and approved by Council in February.</p> <p>Transformation Programme approved by Council in February same time as financial plans.</p>
2	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	<p>Revenue and Capital Budget Monitoring reports presented to Executive Committee on a quarterly basis.</p> <p>Financial Strategy Risk Register presented at Approval stage.</p>

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

G1 Implementing good practice in transparency

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	Public Performance Reporting published on Council's website Committee reports are published on the modern.gov site for transparency to reflect the decision-making structure within the Council's Scheme of Administration, including the Health and Social Care IJB.
2	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	The Council produces and publishes annual accounts that set out the financial position and performance. Public Performance Reporting published on Council's website. Service-specific Annual Reports presented to relevant committee and made accessible to the public e.g. Chief Social Work Officer Annual Report, Education Standards and Quality Report.

G2 Implementing good practices in reporting

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Reporting at least annually on performance, value for money and the stewardship of its resources	The Statement of Accounts, incorporating a Management Commentary, provides financial and other performance information regarding the operation of the Council, its wider achievements and areas for development. External Audit Annual Report provides assurance and key recommended improvements.
2	Ensuring members and senior management own the results	Guidance on preparing Committee reports includes mandatory consultation in advance, and templates incorporate appropriate approvals.
3	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	Annual Governance Statement is the outcome of self-evaluation of compliance which includes the Governance Framework, the Review of Framework, and Improvement Areas of Governance.
4	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	Annual Governance Statement covers assurances from SB Cares and other strategic service providers as reflected within the Group Accounts.

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
5	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	The Management Commentary in Statement of Accounts provides financial and other performance information regarding the operation of the Council, its wider achievements and areas for development.

G3 Assurance and effective accountability

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring that recommendations for corrective action made by external audit are acted upon	Reports outlining findings and recommendations (including follow-up progress) presented to the Audit and Scrutiny Committee.
2	Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	Regular reports on Internal Audit performance and compliance presented to the Audit and Scrutiny Committee. Chief Officer Audit & Risk meets regularly with Chair of Audit and Scrutiny Committee.
3	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	Annual Scrutiny Plan by Audit Scotland presented to Audit and Scrutiny Committee (Audit function). Reports by external scrutiny and inspection bodies outlining findings and recommendations presented to relevant committee including associated Action Plans for improvement.
4	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	The existing governance framework including alternative service delivery arrangements is outlined in the Annual Governance Statement.
5	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	The Strategic Assessment is the body of evidence which underpins the strategic vision for the Council and its partners.

Scottish Borders Council

Local Scrutiny Plan 2018/19



April 2018

Scottish Borders Council

Local Scrutiny Plan – April 2018 to March 2019

Introduction

1. This local scrutiny plan sets out any scrutiny risks identified by the local area network (LAN), proposed scrutiny responses and expected scrutiny activity for Scottish Borders Council ("the council") during the financial year 2018/19.
2. The scrutiny risks and responses are based on a shared risk assessment undertaken by a LAN, comprising representatives of all the scrutiny bodies who engage with the council. The shared risk assessment process draws on a range of evidence with the aim of determining any scrutiny risks in the council and the Scottish Borders Integration Joint Board (IJB).
3. Expected scrutiny activity across all councils in Scotland informs the National Scrutiny Plan for 2018/19, which will be available in April 2018 on the Audit Scotland website, www.audit-scotland.gov.uk.

Scrutiny risks

4. **Education:** There is strong strategic leadership in Education and Children's Services and the council has appropriate governance in place to ensure that educational provision is well organised and led. Scrutiny outcomes, including inspections, have been positive overall in recent years but with a few individual establishments subject to continuing engagement. Outcomes for children and young people are often above the national average and generally improving, although there is evidence of decline in a few measures. Raising attainment in numeracy at all stages and raising attainment for those living in areas of most deprivation remain key priorities for the council. There are increasing strengths in the approach taken to quality improvement within education.
5. Overall there are no particular concerns with the council's educational provision and therefore there will be no additional scrutiny in 2018/19 beyond the general inspection programme.
6. The council has three schools in receipt of funding from the Schools Programme of the Scottish Attainment Challenge. All schools in Scottish Borders Council have Pupil Equity Funding plans in place and these are being progressed. Education Scotland will continue to liaise with establishments as appropriate.
7. **Housing and Homelessness:** To assess the risk to social landlord services, the Scottish Housing Regulator (SHR) has reviewed and compared the performance of all Scottish social landlords to identify the weakest performing landlords. With respect to the council's

homelessness service, the SHR identified risks relating to the satisfaction with and the number of refusals of temporary accommodation. It also identified risks regarding the council ensuring that the requirements and standards described in the Scottish Social Housing Charter are met for its gypsy/travellers' site.

8. The SHR will monitor the council's progress in addressing the service weaknesses identified in this plan. It will review the council's quarterly performance management reports and meet council officials as necessary.
9. The SHR may carry out thematic inquiries during 2018/19 or it may carry out survey or on-site work to follow up on published thematic reports. The SHR will also review the Scottish Social Housing Charter data submitted by landlords and carry out data accuracy visits during the second quarter of 2018/19. Where councils are to be involved in a thematic inquiry, any follow-up work to a published thematic inquiry, or a data accuracy visit, the SHR will confirm this directly with the council and the LAN lead.
10. **Social care:** Overall, inspection information indicates that quality of registered services for adults, children and young people is variable. No specific additional scrutiny work is required beyond the ongoing inspection and support activity that the Care Inspectorate provides to the council.
11. A joint inspection of health and social work services for older people's services was carried out by the Care Inspectorate and Healthcare Improvement Scotland from October 2016 until February 2017. The joint inspection identified a number of important weaknesses and made 13 recommendations for improvement. Delivery of key processes, strategic planning and plans to improve services, leadership and direction were all evaluated as weak. The IJB has developed an improvement plan to address the recommendations. The Care Inspectorate will monitor improvement and review progress.

Best Value

12. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. Best Value will be assessed over our five year audit appointment, as part of the annual audit work. In addition a Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once in this five year period. The current proposed BVAR programme includes publication of a report for Scottish Borders Council in 2019, the scope and timing of the work to be carried out as part of our 2018/19 audit. The BVAR programme could change if the risk profiles of councils change. If this is the case we will update the council. In the meantime, Best Value audit work planned in this year will focus on the council's arrangements for demonstrating Best Value in performance and outcomes. This will be reported in Audit Scotland's Annual Audit Report in September 2018.

Scrutiny activity

13. Any expected scrutiny activity between April 2018 and March 2019 is shown in Appendix 1. For some of their scrutiny activity in 2018/19, scrutiny bodies are still to determine their work programmes and which specific council areas they will cover. Where a council is to be involved, the relevant scrutiny body will confirm this with the council and the appropriate LAN lead.
14. In addition to specific work shown in Appendix 1, routine, scheduled audit and inspection work will take place through the annual audit process and the ongoing inspection of school and care establishments by Education Scotland and the Care Inspectorate respectively. The outcomes of this work will help to inform future assessment of scrutiny risk.

March 2018

Appendix 1: Scrutiny activity

Scrutiny body	Scrutiny activity	Date
<p>Audit Scotland</p>	<ul style="list-style-type: none"> Best Value audit work will focus on the council's arrangements for demonstrating Best Value in performance and outcomes. This will be reported in the Annual Audit Report. Best Value Assurance Report is scheduled to be published in 2019. 	<p>Ongoing as part of 2017/18 annual audit and will be reported in September 2018</p> <p>Dates to be discussed with the council</p>
	<p>Audit Scotland is due to publish the following performance audit reports in 2018/19:</p> <ul style="list-style-type: none"> Arm's length and external organisations (ALEOs) - Spring 2018. Scottish Fire and Rescue Service: an update – Spring 2018. Managing the implementation of the Scotland Acts – Spring 2018. Children's mental health services - Autumn 2018. Integration of health and social care - Autumn 2018. City deals - Winter 2018/19. 	<p>Dates and locations of 2018/19 fieldwork to be determined</p>
<p>Care Inspectorate</p>	<p>From April 2017, the Care Inspectorate and Healthcare Improvement Scotland have a joint duty under the Public Bodies (Joint Working) (Scotland) Act 2014 to assess and report on the effectiveness of integration authorities' strategic plans. During 2018/19 they intend to visit three partnerships to report on their progress.</p>	<p>Dates and locations to be determined</p>
	<p>From April 2018, Scottish ministers have asked the Care Inspectorate to lead another programme of joint inspections of service for children and young people, with scrutiny partners Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland.</p>	<p>Dates and locations to be determined</p>

	<p>They have asked the Care Inspectorate to provide assurance about how community planning partners are protecting and meet the needs of children and young people who have experienced, or are at risk of, abuse and neglect. The Scottish ministers have also asked for assurances about how they are working together to improve outcomes for children and young people who are subject to corporate parenting requirements. The Care Inspectorate intend to carry out five joint inspections in 2018/19.</p> <p>The Care Inspectorate are currently undertaking preparatory work for a thematic review of self-directed support which will be carried out during 2018/19. Throughout the year, they will conduct an inspection in up to six areas across the country.</p>	<p>Dates and locations to be determined</p>
<p>Scottish Housing Regulator</p>	<p>The SHR may carry out thematic inquiries during 2018/19 or it may carry out survey or on-site work to follow up on published thematic reports. The SHR will also review the Scottish Social Housing Charter data submitted by landlords and carry out data accuracy visits during the second quarter of 2018/19. Where councils are to be involved in a thematic inquiry, any follow-up work to a published thematic inquiry, or a data accuracy visit, the SHR will confirm this directly with the council and the LAN lead.</p>	<p>Dates and locations to be determined</p>
<p>Education Scotland</p>	<p>No specific additional scrutiny work is required beyond the ongoing inspection and support activity that Education Scotland provides to the council.</p>	<p>N/A</p>

Scottish Borders Council

Local Scrutiny Plan 2018/19

A summary of local government strategic scrutiny activity

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National scrutiny plan 2018/19

A summary of local government
strategic scrutiny activity



Prepared on behalf of the Strategic Scrutiny Group
April 2018

ACCOUNTS COMMISSION 

 AUDIT SCOTLAND

 improving policing
across Scotland

 Healthcare
Improvement
Scotland

 Scottish Housing
Regulator

 Education
Scotland
Foghlam Alba

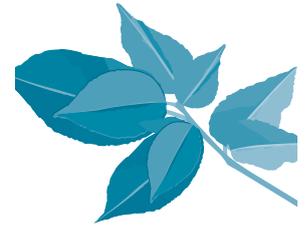
 HMIPS
HM INSPECTORATE OF
PRISONS FOR SCOTLAND

Inspectorate of
Prosecution in
Scotland

 HMFSI

 care
inspectorate

Contents



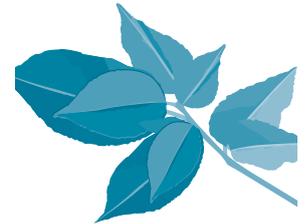
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Links

 PDF download

 Web link

Background



1. The National Scrutiny Plan for local government has been jointly prepared by members of the Strategic Scrutiny Group (SSG). This group comprises Scotland's main public sector scrutiny bodies - the Accounts Commission for Scotland, Audit Scotland, Education Scotland, the Care Inspectorate, Healthcare Improvement Scotland, the Scottish Housing Regulator, Her Majesty's Inspectorate of Constabulary in Scotland, Her Majesty's Fire Service Inspectorate, Her Majesty's Inspectorate of Prisons and Her Majesty's Inspectorate of Prosecution. The SSG is convened and chaired by the Accounts Commission. Details of each organisation can be found in the [Appendix](#). In this report, they are collectively referred to as scrutiny bodies.

2. The SSG supports the delivery of better coordinated, more proportionate and risk-based local government scrutiny. Those scrutiny bodies directly relating to local government services - Audit Scotland (on behalf of the Accounts Commission), the Care Inspectorate, Education Scotland, the Scottish Housing Regulator and council external auditors appointed by the Accounts Commission (including private sector Audit Firms), work together through Local Area Networks (LANs) to share intelligence and agree the key scrutiny risks in each of Scotland's 32 councils.

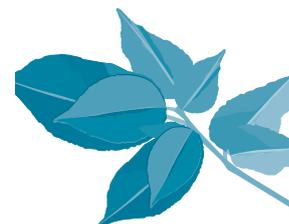
3. Annually, each LAN prepares a Local Scrutiny Plan (LSP) setting out the planned scrutiny activity for the council concerned. LSPs also include nationally programmed scrutiny, such as the Care Inspectorate's joint inspections of services for children, young people and families and joint inspections of adult health and social care services. This approach, called Shared Risk Assessment (SRA), is designed to ensure well coordinated proportionate and risk-based scrutiny.

4. This 2018/19 National Scrutiny Plan (NSP) for local government is one of the key outputs from the SRA process. It is the ninth such plan and summarises all planned strategic scrutiny activity.¹ From April 2018 to March 2019 in each of Scotland's 32 councils. This strategic scrutiny activity can of course change during the year, particularly in response to any significant risks or events that may require immediate investigation.

5. A separate table showing planned scrutiny activity is available on the [Audit Scotland website](#) .

Part 1

Direct scrutiny activity



National scrutiny programmes

6. There is a range of national scrutiny activity planned across councils over the next year and beyond. Where activity has been identified for 2018/19 that impacts on individual councils it is included in the National Scrutiny Plan. Significant pieces of national scrutiny activity, as well as developments in scrutiny approaches, are outlined below.

The Accounts Commission/Audit Scotland

Best Value

7. The Accounts Commission began to roll out its revised approach to Best Value auditing from October 2016. This includes an assessment each year of aspects of Best Value as part of an integrated annual audit. In addition, a public Best Value Assurance Report (BVAR) for each council will be published at least once in a five year period that will bring together an overall picture of the council drawn from a range of audit activity and the work of other scrutiny bodies.

8. The five year rolling programme of Best Value Assurance Reports is reviewed and refreshed annually by the Accounts Commission. The results of the SRA process will make a significant contribution to the audit intelligence that informs decisions about the programme, both in terms of the sequencing and timing of audits and the focus of audit work at individual councils.

9. Audit Scotland is currently carrying out work to produce a BVAR in Fife, Glasgow, East Ayrshire, West Dunbartonshire, Dumfries and Galloway and East Lothian councils. The current BVAR programme includes publication of a report in 2019 for North Lanarkshire, South Lanarkshire, Stirling, Highland, Scottish Borders, Perth & Kinross and Midlothian councils. The scope and timing of the work to be carried out, as part of the 2018/19 audit, will be discussed with each council.

National performance audits

10. Audit Scotland has several performance audits covering local government planned during 2018/19. These are part of a programme agreed by the Accounts Commission and Auditor General for Scotland (AGS) which is informed by the Accounts Commission's strategic audit priorities, public sector audit risks and policy developments, as well a wide range of policy monitoring and external engagement.

11. The programme includes audits covering children and young people's mental health, health and social care integration, city deals and the value for money of non-profit distributing (NPD) projects. Any engagement with individual councils is still to be determined. Further details on each of the audits in the performance audit programme for 2018/19 and beyond are available [here](#) .

Housing benefit risk assessments

12. Audit Scotland will also continue to carry out a national programme of housing benefit risk assessments across councils during 2018/19. The Accounts Commission will continue to review its future approach to the scrutiny of benefits in light of the changing powers around social security in Scotland.

Care Inspectorate

Health and social care integration authorities

13. Since April 2017, the Care Inspectorate and Healthcare Improvement Scotland (HIS) have a joint duty under the Public Bodies (Joint Working)(Scotland) Act 2014 to assess and report on the effectiveness of integration authorities' strategic plans. In these early stages of the integration of health and social care, the Care Inspectorate and HIS will report on the progress that integration authorities are making towards a more collaborative culture and integrated approaches to planning and delivering services, both of which should deliver improved outcomes for people in communities.

14. During 2018/19 the Care Inspectorate and HIS intend to visit three integration authorities to report on their progress. A key area of focus will be the measures they are taking to ensure they fully understand the current needs, and anticipate the future needs, of their communities and how they are jointly planning, commissioning and delivering services to meet these needs. The Care Inspectorate and HIS will be particularly looking to identify examples of good practice in engaging with communities to assess and plan to meet needs.

15. Audit Scotland's [Self-directed support: 2017 progress report](#)  noted that authorities' commissioning plans do not yet clearly set out how they will make decisions about changing services and re-allocating budgets in response to people's choices. In response, all joint inspections of strategic planning will examine how commissioning decisions are being influenced by self-directed support legislation.

16. Inspection activity to date has reinforced the critical importance of strong and effective care at home services to meet the aspiration of maintaining people in their own homes and communities for as long as possible and in line with their wishes. There are many services and supports that contribute to achieving this, including community health services, with directly provided and commissioned care at home services playing a very significant role. Over the next year, therefore, planning and commissioning of sufficient, stable and quality care at home provision will be a focus of joint inspections.

Thematic review of self-directed support

17. The Care Inspectorate will carry out a thematic review of self-directed support during 2018/19. Its aim is to build on the key findings of [Self-directed support: 2017 progress report](#) , exploring the ability and confidence of front line staff to implement self-direction support legislation by offering choice and control and making decisions with people about their support. Throughout the year, it will conduct an inspection in up to six areas across Scotland with the aim of identifying factors which support effective implementation of the legislation and barriers which require to be overcome. The Care Inspectorate will provide feedback on each area and publish an overview report, with the expectation that all areas will then use these findings to evaluate their own practice and make improvements where necessary.

Joint inspections of services for children and young people

18. From April 2018, Scottish ministers have asked the Care Inspectorate to lead another programme of joint inspections of services for children and young people, in conjunction with Education Scotland, HIS and HMICS. Ministers have asked the Care Inspectorate to provide assurance about how community planning partners are protecting and meet the needs of children and young people who have experienced, or are at risk of, abuse and neglect, and how they are working together to improve outcomes for children and young people who are subject to corporate parenting requirements. The intention is to carry out five joint inspections in 2018/19. The Care Inspectorate has agreed with ministers that, for the duration of this programme of inspections, it will incorporate an area of specific enquiry each year, with the aim of identifying key lessons and best practice which all partnerships could use to support their own continuous improvement. It will publish an overview report at the end of each year.

Community justice

19. The Care Inspectorate will work with Community Justice Scotland and other partners to support improvement in the implementation of the community justice strategy, to identify any particular risks and to carry out targeted scrutiny where this is required.

Adult support and protection

20. The Care Inspectorate will report in May on a thematic review of Adult Support and Protection, carried out across six partnership areas in collaboration with colleagues from HIS and HMICS. During 2018/19, it will work with Scottish Government and colleagues to encourage partnerships to use this learning to review their own practice and to take any action necessary to strengthen their response to concerns.

Education Scotland

21. Education Scotland, working in partnership with Audit Scotland, will carry out a programme of inspections to evaluate the progress made by local authorities in improving learning, raising attainment and closing the poverty related attainment gap. These inspections are initially focused on the nine local authorities who are designated as challenge authorities within the Scottish Attainment Challenge.² All nine challenge authorities will be inspected by the end of 2018, with Education Scotland providing four weeks' notice prior to carrying out individual inspections (and as a result these are not shown on the associated activity map). Other authorities may be included in due course; particularly those authorities currently subject to enhanced monitoring as a result of shared risk assessment.

22. Following publication of [Education Governance: Next Steps](#)  in June 2017, six Regional Improvement Collaboratives (RICs) were established. Each RIC will formulate its own regional improvement plan and each plan will be agreed with the Chief Inspector of Education. Support and challenge from within the collaborative teams and from Education Scotland Regional Advisers will ensure that each of the regional improvement plans takes account of all available evidence on performance and that the selection of educational strategies and interventions is appropriate to the particular regional context.

23. Over the coming year Education Scotland will continue to inspect community learning and development (CLD) services and the quality of careers information and guidance services delivered by Skills Development Scotland across council areas. It also plans to carry out a validated self-evaluation of educational

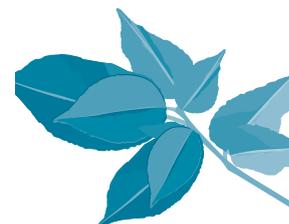
psychology services in one local authority area towards the end of 2018. Education Scotland will also work with stakeholders and other public bodies to create new approaches to scrutiny that take account of education reform, provide assurance and support system-led improvement.

Scottish Housing Regulator (SHR)

24. The SHR may carry out thematic inquiries during 2018/19 or it may carry out survey or on-site work to follow up on published thematic reports. The SHR will also review the Scottish Social Housing Charter data submitted by landlords and may carry out data accuracy visits during the second half of 2018/19. Where councils are to be involved in a thematic inquiry, any follow-up work to a published thematic inquiry, or a data accuracy visit, the SHR will confirm this directly with the council and the LAN lead.

Part 2

Additional scrutiny of interest



25. In addition to the direct scrutiny planned for local government, there is a range of other scrutiny activity that touches on local government, as outlined below.

Her Majesty's Fire Services Inspectorate (HMFSI)

26. HMFSI will continue to inspect Scottish Fire and Rescue Service (SFRS) local service delivery across Scotland. These inspections will examine, among other things, local scrutiny and engagement between the SFRS and councils. As part of its programme, HMFSI intends to inspect service delivery in Edinburgh, Dumfries and Galloway and North Lanarkshire during 2018/19. HMFSI also has a programme of thematic inspection planned, but this work is unlikely to result in contact with local authorities. However, HMFSI may also carry out ad hoc inspections in response to specific events, which could involve contact with local authorities.

Her Majesty's Inspectorate of Constabulary in Scotland (HMICS)

27. HMICS remains committed to assessing the quality of local policing as experienced by communities across Scotland, with an emphasis on the impact of the Community Empowerment (Scotland) Act 2015. During 2018/19, it will inspect G Division, which covers East Dunbartonshire, East Renfrewshire and Glasgow. Divisional inspections will cover partnership working and in particular, local scrutiny and engagement between Police Scotland and councils and the local Community Planning Partnership and Community Safety Partnership. Local police inspections also include a 'plus' element, which aims to investigate national issues through a local lens. These elements are subject to separate reports published on its website www.hmics.org.uk .

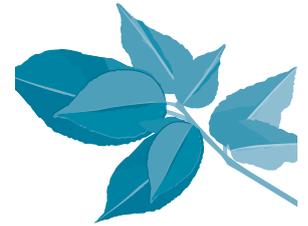
Her Majesty's Inspectorate of Prisons for Scotland (HMIPS)

28. HMIPS will inspect prisons in Scotland, jointly with Healthcare Improvement Scotland, Education Scotland, the Care Inspectorate and the Scottish Human Rights Commission. Each prison will be monitored on a weekly basis by volunteer Independent Prison Monitors who are allocated to each prison. Reports of findings from both inspection and monitoring are published regularly throughout the year.

Inspectorate of Prosecution in Scotland (IPS)

29. In the Scottish Year of Young People, the IPS will conduct a thematic review of the prosecution of young people in the Sheriff Court. The review will assess the availability and use of diversion schemes provided by local authorities. It will also seek to identify areas of good practice, which may be of benefit to those involved in implementing the Community Justice (Scotland) Act 2016 both at local and strategic levels. As part of its programme, IPS will continue to inspect service delivery by the Crown Office and Procurator Fiscal Service at both a national and local level.

Endnotes



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- ◀ 1 Strategic scrutiny work does not include scrutiny activity carried out at service unit or institution level, such as inspections of individual schools or care homes, or the annual financial audit of public bodies.
 - ◀ 2 The nine challenge authorities are: Clackmannanshire, Dundee, East Ayrshire, Glasgow, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire and West Dunbartonshire councils.

Appendix

The Local Government Scrutiny Strategic Group members



Accounts Commission	The Accounts Commission is a non-departmental public body (NDPB). The Accounts Commission is the public's independent watchdog for local government in Scotland. Its role is to examine how Scotland's 32 councils manage their finances, help these bodies manage their resources efficiently and effectively, promote Best Value and publish information every year about how they perform.
Audit Scotland	Audit Scotland is a statutory body providing services to the Accounts Commission and the Auditor General for Scotland (AGS). Working together, the Accounts Commission, the AGS and Audit Scotland ensure that public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.
Care Inspectorate	The Care Inspectorate is a non-departmental public body (NDPB). The Care Inspectorate's purpose is to provide assurance and protection for people who use care, social work and children's services.
Education Scotland	Education Scotland is an executive agency. It is the Scottish Government's national development and improvement agency for education. It is charged with providing support and challenge to the education system, from early years to adult learning, in line with the government's policy objectives.
Healthcare Improvement Scotland	Healthcare Improvement Scotland (HIS) is a health body. The function of HIS is to improve the quality of the care and experience of every person in Scotland every time they access healthcare by supporting healthcare providers.
Her Majesty's Fire Service Inspectorate	The Fire Service Inspectorate in Scotland exists to provide independent, risk based and proportionate professional inspection of the Scottish Fire and Rescue Service. Its purpose is to give assurance to the Scottish public and Scottish ministers that the service is working in an efficient and effective way, and to promote improvement in the service. Through this, the Inspectorate provides external quality assurance to the service, and provides support to the service in delivering its functions.
Her Majesty's Inspectorate of Constabulary in Scotland	Her Majesty's Inspectorate of Constabulary in Scotland (HMICS) provides independent scrutiny of both Police Scotland and the Scottish Police Authority. Its approach is to support Police Scotland and the Authority to deliver services that are high quality, continually improving, effective and responsive to local needs. It can inspect other UK police services that operate in Scotland and are members of the National Preventive Mechanism, inspecting police custody centres to monitor the treatment and conditions for detainees.
Her Majesty's Inspectorate of Prisons for Scotland	Her Majesty's Chief Inspector of Prisons for Scotland provides oversight and scrutiny of the 15 prisons in Scotland, by way of inspection and monitoring, in order to report on the conditions in prison and the treatment of prisoners. Monitoring is conducted by volunteer Independent Prison Monitors, who are required to visit every prison every week, to respond to prisoners' requests and to monitor conditions. HMIPS also has responsibility for inspecting court custody cells and the conditions in which prisoners are transported.

Inspectorate of Prosecution in Scotland	The Inspectorate of Prosecution in Scotland is headed by HM Chief Inspector who reports directly to the Lord Advocate. The aim of the inspectorate is to enhance the quality of service and public confidence in the Crown Office and Procurator Fiscal Service through independent inspection and evaluation.
Scottish Housing Regulator	The Scottish Housing Regulator (SHR) is a non-ministerial department. The statutory objective of the SHR is to safeguard and promote the interests of people who are or may become homeless, tenants of social landlords, or recipients of housing services provided by social landlords.

National scrutiny plan 2018/19

A summary of local government strategic scrutiny activity

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National Scrutiny Plan for Local Government 2018/19

Council	Q1			Q2			Q3			Q4		
	April	May	June	July	August	September	October	November	December	January	February	March
Aberdeen City											CSI	
Aberdeenshire			CIAG									
Angus										CIAG		
Argyll & Bute		Educ F/U					CSI				CLD	
Clackmannanshire											CLD	
Dumfries & Galloway	BVAR											
Dundee City												
East Ayrshire	BVAR						SDS					
East Dunbartonshire							CIAG					
East Lothian							ASI					
East Lothian	BVAR										CIAG	
East Lothian							SDS					
East Renfrewshire								CIAG				
City of Edinburgh										CSI		
Eilean Siar	CLD											
Falkirk	CLD	(follow through)										
Fife	BVAR						CSI					
Glasgow City	CLD											
Glasgow City	BVAR						SDS					
Highland	BVAR	Timing TBC										
Highland							CLD					
Inverclyde											CLD	
Midlothian	BVAR	Timing TBC										
Moray							CSI					
Moray							CIAG					
Moray							SDS					
North Ayrshire							ASI					
North Lanarkshire	BVAR	Timing TBC										
Orkney Islands							SDS					
Perth & Kinross	BVAR	Timing TBC										
Perth & Kinross							CLD				ASI	
Perth & Kinross												
Renfrewshire												
Scottish Borders	BVAR	Timing TBC										
Shetland Islands												
South Ayrshire							CLD					
South Lanarkshire	BVAR	Timing TBC										
South Lanarkshire	CLD											
Stirling	BVAR	Timing TBC										
Stirling							CIAG					
West Dunbartonshire	BVAR	Timing TBC										
West Dunbartonshire												CIAG
West Lothian							SDS					
West Lothian							CLD					

Key

Audit Scotland	
Best Value Assurance Report (BVAR)	
Care Inspectorate/Multi-agency	
Children's Services Inspection (CSI)	
Adult Services Inspection (ASI)	
Self-directed support (SDS)	

Education Scotland	
Inspection of Careers Information Advice and Guidance (CIAG)/Follow Up (CIAG F/U)	
Inspection of education authority (EA)/Follow Up (EA F/U)	
Inspection of Community Learning and Development (CLD)/Follow Up (CLD F/U)	

National Scrutiny Plan for Local Government 2018/19

Council	Previous scrutiny activity 2014/15 - 2017/18
Aberdeen City	Children's Services Inspection (CSI), 2014/15. Community Planning Partnership Audit (CPP), Adult Services Inspection (ASI), Multi-Agency Public Protection Arrangements (MAPPA), Housing Benefit Risk Assessment (HB), 2015/16.
Aberdeenshire	Children's Services Inspection (CSI), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), 2015/16. Housing Benefit Risk Assessment (HB), Education Psychology Service (EPS), 2016/17. Careers Information (CIAG), 2016/17. Community Learning and Development (CLD), 2017/18.
Angus	Adult Services Inspection (ASI), 2014/15. Multi-Agency Public Protection Arrangements, (MAPPA), Best Value Follow-up (BV F/U), 2015/16. Children's Services Inspection (CSI) 2016/17. Her Majesty's Inspectorate of Constabulary in Scotland, (HMICS), 2017/18.
Argyll & Bute	Housing Benefit Risk Assessment (HB), Best Value Follow-up (BV F/U), Skills Development Scotland (SDS), 2014/15. Adult Services Inspection (ASI), Multi-Agency Public Protection Arrangements (MAPPA), Best Value Follow-up (BV F/U), 2015/16. Education, 2017/18.
Clackmannanshire	Housing Benefit Risk Assessment (HB), Validated Self-Evaluation (VSE), Skills Development Scotland (SDS), 2014/15. Children's Services Inspection (CSI), 2014/15, Multi-Agency Public Protection Arrangements, (MAPPA), 2015/16. Education Psychology Service (EPS), Local Area Network additional work (LAN), 2016/17. Best Value Assurance Report (BVAR), 2017/18. Education Psychology Service (EPS), Adult Services Inspection (ASI), 2017/18.
Dumfries & Galloway	Additional annual audit work (AAA), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Validated Self-Evaluation (VSE), Children's Services Inspection, (CSI), Adult Services Inspection (ASI), Performance Investigation (SHR), 2015/16. Performance Investigation (SHR), Education Psychology Service (EPS), 2016/17, Careers Information (CIAG), Community Learning and Development (CLD), Education Psychology Service (EPS), Validated Self-Evaluation (VSE), Best Value Assurance Report (BVAR), 2017/18.
Dundee City	Multi-Agency Public Protection Arrangements (MAPPA), Children's Services Inspection (CSI), 2015/16. Housing Benefit Risk Assessment (HB), Education Psychology Service (EPS), 2016/17. Her Majesty's Inspectorate of Constabulary in Scotland, (HMICS), 2017/18.
East Ayrshire	Validated Self-Evaluation (VSE), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), 2015/16. Housing Benefit Risk Assessment (HB), Education Psychology Service (EPS), Careers Information (CIAG), 2016/17. Best Value Assurance Report (BVAR), 2017/18. Validated Self Evaluation of Education Psychology Services (EPS VSE), Children's Services Inspection, (CSI), Community Learning and Development (CLD), 2017/18.
East Dunbartonshire	Housing Benefit Risk Assessment (HB), Best Value Follow-up (BV F/U), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Education Psychology Service (EPS), (BV), (SHR), 2016/17. Best Value Follow-up (BV F/U), 2017/18. Housing Benefit Risk Assessment (HB), Community Learning and Development (CLD), 2017/18.
East Lothian	Multi-Agency Public Protection Arrangements (MAPPA), Adult Services Inspection (ASI), Housing Benefit Risk Assessment (HB), 2015/16. Performance Investigation (SHR), 2016/17. Education Psychology Service Validated Self Evaluation Follow-up (EPS VSE F/U), Best Value Assurance Report (BVAR), Community Learning and Development (CLD), 2017/18.
East Renfrewshire	Housing Benefit Risk Assessment (HB), Children's Services Inspection (CSI), 2014/15. Public Protection Arrangements (MAPPA), Her Majesty's Fire Services Inspectorate (HMFSI) 2015/16. Housing Benefit Risk Assessment (HB), Education Psychology Service (EPS), 2016/17. Best Value Assurance Report (BVAR), 2017/18.
City of Edinburgh	Housing Benefit Risk Assessment (HB), Best Value Follow-up (BV F/U), 2014/15. Public Protection Arrangements (MAPPA), Her Majesty's Inspectorate of Constabulary in Scotland, (HMICS), Best Value Follow-up (BV F/U), 2015/16. Adult Services Inspection (ASI), Careers Information (CIAG), 2016/17. Careers Information (CIAG), Her Majesty's Fire Services Inspectorate (HMFSI), Housing Benefit Risk Assessment (HB), Community Learning and Development Follow-up (CLD F/U), 2017/18.
Eilean Siar	Housing Benefit Risk Assessment (HB), 2014/15. Children's Services Inspection (CSI), Adult Services Inspection (ASI), Multi-Agency Public Protection Arrangements, (MAPPA), Her Majesty's Fire Services Inspectorate (HMFSI) 2015/16. Children's Services Inspection, progress review (CSI), Housing Benefit Risk Assessment (HB), Education Psychology Service (EPS), Validated Self-Evaluation Follow-up (VSE F/U), Adult Services Inspection, progress review (ASI), 2017/18.
Falkirk	Targeted Best Value Audit (TBV), Adult Services Inspection (ASI), 2015/16. Multi-Agency Public Protection Arrangements (MAPPA), Community Planning Partnership Audit (CPP), Children's Services Inspection (CSI), Housing Benefit Risk Assessment (HB), 2015/16. Best Value (BV), Education Psychology Service (EPS), Careers Information (CIAG), 2016/17. Education Psychology Service Validated Self Evaluation Follow-up (EPS VSE), 2017/18.
Fife	Adult Services Inspection (ASI), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Children's Services Inspection (CSI), Careers Information (CIAG), 2015/16. Housing Benefit Risk Assessment (HB), Education Psychology Service (EPS), 2016/17. Careers Information Follow-up (CIAG F/U), Best Value Assurance Report (BVAR), Community Learning and Development (CLD), 2017/18.
Glasgow City	Housing Benefit Risk Assessment (HB), Skills Development Scotland (SDS), Adult Services Inspection (ASI), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Community Planning Partnership Audit (CPP), Careers Information (CIAG), 2015/16. Performance Investigation (SHR), Children's Services Inspection (CSI), Her Majesty's Fire Services Inspectorate (HMFSI), 2016/17. Careers Information Follow-up (CIAG F/U), Best Value Assurance Report (BVAR), 2017/18.
Highland	Adult Services Inspection (ASI), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), 2015/16. Education Psychology Service (EPS), 2016/17. Her Majesty's Fire Services Inspectorate (HMFSI), 2017/18.
Inverclyde	Education Psychology Service (EPS), Multi-Agency Public Protection Arrangements (MAPPA), 2015/16. Housing Benefit Risk Assessment (HB), 2016/17. Children's Services Inspection (CSI), Careers Information (CIAG), 2017/18.
Midlothian	Education Psychology Service (EPS), Housing Benefit Risk Assessment (HB), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), 2015/16.
Moray	Best Value Follow-up (BV F/U), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Best Value Follow-up (BV F/U), Education Psychology Service (EPS), Housing Benefit Risk Assessment (HB), Community Planning Partnership (CPP), 2015/16. Careers Information (CIAG), Children's Services Inspection (CSI), Her Majesty's Fire Services Inspectorate (HMFSI), 2016/17. Housing Benefit Risk Assessment (HB), Children's Services Inspection, progress review (CSI), Community Learning and Development (CLD), 2017/18.
North Ayrshire	Multi-Agency Public Protection Arrangements (MAPPA), Housing Benefit Risk Assessment (HB), Community Planning Partnership (CPP), 2015/16. Education Psychology Service (EPS), 2016/17. Community Learning and Development (CLD), 2017/18.
North Lanarkshire	Scottish Housing Quality Standard (SHQS), Children's Services Inspection (CSI), Skills Development Scotland (SDS), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Housing Benefit Risk Assessment (HB), 2015/16. Education Psychology Service (EPS), 2016/17. Community Learning and Development (CLD), Adult Services Inspection (ASI), Her Majesty's Fire Services Inspectorate (HMFSI), 2017/18.
Orkney Islands	Performance Inquiry, Scottish Housing Quality Standard (SHQS), Community Planning Partnership (CPP), 2014/15. Education Psychology Service (EPS), Multi-Agency Public Protection Arrangements (MAPPA), Housing Benefit Risk Assessment (HB), Performance Investigation (SHR), Community Planning Partnership Audit (CPP), 2015/16. Education Psychology Service (EPS), Careers Information (CIAG), Adult Services Inspection (ASI), 2016/17. Best Value Assurance Report (BVAR), 2017/18. Careers Information (CIAG), Community Learning and Development (CLD), 2017/18.
Perth & Kinross	Place Based Inspection, Multi-Agency Public Protection Arrangements (MAPPA), Housing Benefit Risk Assessment (HB), Careers Information (CIAG), 2015/16. Performance Investigation (SHR), 2016/17. Her Majesty's Inspectorate of Constabulary in Scotland, (HMICS), 2017/18. Children's Services Inspection (CSI), Careers Information Follow-up (CIAG F/U), Community Learning and Development (CLD), 2017/18.
Renfrewshire	Housing Benefit Risk Assessment (HB), Multi-Agency Public Protection Arrangements (MAPPA), 2015/16. Best Value Assurance Report (BVAR), 2016/17. Adult Services Inspection (ASI), Community Learning and Development (CLD), 2017/18.
Scottish Borders	Housing Benefit Risk Assessment (HB), Additional annual audit work (AAA), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Careers Information (CIAG), Community Planning Partnership Audit (CPP), Children's Services Inspection (CSI), 2015/16. Her Majesty's Fire Services Inspectorate (HMFSI), Adult Services Inspection (ASI), 2016/17. Careers Information Follow-up (CIAG F/U), Education Psychology Service Validated Self Evaluation Follow-up (EPS VSE), Housing Benefit Risk Assessment (HB), Community Learning and Development (CLD), 2017/18.
Shetland Islands	Adult Services Inspection (ASI), Children's Services Inspection (CSI), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Careers Information (CIAG), Housing Benefit Risk Assessment (HB), 2015/16. Education Psychology Service Validated Self Evaluation Follow-up (EPS VSE), Housing Benefit Risk Assessment (HB), 2017/18.
South Ayrshire	Validated Self-Evaluation (VSE), Best Value Follow-up (BV F/U), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Best Value (BV), 2015/16. Her Majesty's Fire Services Inspectorate (HMFSI), Best Value (BV), Children's Services Inspection (CSI), 2016/17. Careers Information Follow-up (CIAG F/U), Children's Services Inspection progress review (CSI), 2017/18.
South Lanarkshire	Children's Services Inspection (CSI), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Adult Services Inspection (ASI), 2015/16. Housing Benefit Risk Assessment (HB), 2016/17.
Stirling	Validated Self-Evaluation (VSE), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), 2015/16. Housing Benefit Risk Assessment (HB), Education Psychology Service (EPS), Careers Information (CIAG), 2016/17. Education Psychology Service Validated Self Evaluation Follow-up (EPS VSE), Adult Services Inspection (ASI), Community Learning and Development (CLD), 2017/18.
West Dunbartonshire	Multi-Agency Public Protection Arrangements (MAPPA), 2015/16. Children's Services Inspection (CSI), Careers Information (CIAG), 2016/17. Best Value Assurance Report (BVAR), Housing Benefit Risk Assessment (HB), 2017/18.
West Lothian	Housing Benefit Risk Assessment (HB), Community Planning Partnership Audit (CPP), Skills Development Scotland (SDS), 2014/15. Multi-Agency Public Protection Arrangements (MAPPA), Education Psychology Service (EPS), Community Planning Partnership Audit (CPP), Her Majesty's Fire Services Inspectorate (HMFSI), 2015/16. Children's Services Inspection (CSI), 2016/17. Best Value Assurance Report (BVAR), 2017/18.



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Working together for the best possible health and wellbeing in our communities



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*This document is referred to in our legal "Scheme of Integration" document as the Strategic Commissioning Plan.

FOREWORD



People are living longer than ever and this trend is set to continue. This is something that we should all celebrate. It means that we need to plan ahead, both as communities and as individuals, to ensure that we, in the Borders, make the most of the benefits and positive experiences of a long healthy life. This Plan sets out why we want to integrate health and social care services, how this will be done and what we can expect to see as a result. We want to create health and social care services that are more personalised and improve outcomes for all our service users, their Carers and their families.

This is our first Strategic Plan as a new Health and Social Care Partnership (HSCP). This Plan builds on the progress that has already been made by NHS Borders, Scottish Borders Council and our partners to improve services for all people in the Scottish Borders.

This Plan is based on what we have learned from listening to local people; service users, Carers, members of the public, staff, clinicians, professionals and partner organisations. From April to December 2015 we engaged on the first and second consultation drafts of the Plan through workshops and local events across the Borders.

We believe that through strong leadership, innovative thinking, robust planning and by putting the views of patients, service users and Carers at the heart of all that we do, we can achieve our ambition of “Best Health, Best Care, Best Value” for our communities. We will make sure that strong and effective relationships continue to develop between Scottish Borders Council and NHS Borders, colleagues in the Third and Independent sectors and with other key partner organisations. The aim is that we plan, commission and deliver services in a way that puts people at the heart of decision-making.

Together, with you, we know we can make a real difference.

A handwritten signature in black ink, appearing to read 'Susan Manion'. The signature is written in a cursive style.

Susan Manion

Chief Officer Health and Social Care Integration
March 2016

EXECUTIVE SUMMARY

This Plan sets out what we want to achieve to improve health and well-being in the Borders through integrating health and social care services.

The case for changing the way we deliver health and social care services in the Borders is compelling. We have a growing number of people needing our services, but limited resources with which to deliver them. These services could be provided more effectively and efficiently if they are integrated. We want to achieve better outcomes for all our communities. The Borders is largely a remote and rural area. There are five Area Forum localities in the Borders, which have individual characteristics and therefore different needs. This makes delivery of services complex. About a quarter of the households in the Borders are composed entirely of people aged 65 and over. This age group has a greater need for our services. The growing number of people with dementia is a big challenge.

Deprivation is an issue in the Borders. Although it may only seem to affect a small number of communities, it is often hidden in rural areas. Research indicates that people from deprived areas are more likely to make greater use of hospital and other health and social care services. Health inequalities exist beyond deprivation and we need to take into account that some people have different health outcomes. As an example, people with mental health issues or a learning disability tend to have poorer health outcomes. This plan contains actions to address such issues. It also sets out our local objectives, which will enable us to achieve the nine national health and well-being outcomes.

This Plan sets out a high level summary of some of what we will do when working together to deliver more personalised care, making best use of advancing technology to achieve “Best Health, Best Care, Best Value”. This high-level Plan will be supported by the implementation of Strategies related to specific themes (such as Dementia, Mental Health) and Locality Plans that reflect differing patterns of need across the Borders.

CASE FOR CHANGE: WHY WE NEED TO CHANGE

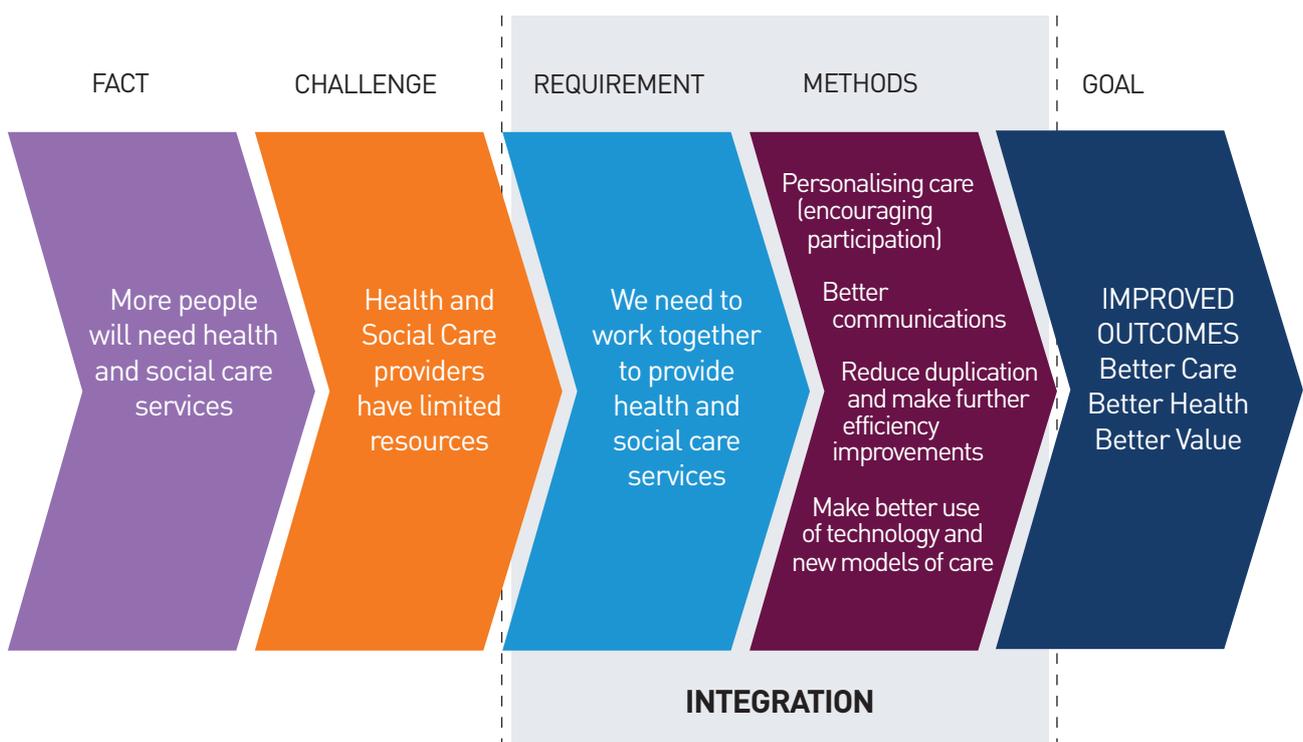
There are a number of reasons why we need to change the way health and social care services are delivered.

These are illustrated in the figure below and include:

- **Increasing Demand for Services** – with a growing ageing population, more people need our health and social care services and will continue to do so.
- **Increasing Pressure on Limited Resources** – the rise in demand puts pressure on our limited resources and this is happening at a time of constraint on public sector funding and rising costs of health and social care services.
- **Improving Services and Outcomes** – service users expect – and we want to provide – a better experience and better results.

We need to make better use of the people and resources we have by working more effectively together. If we do not change, we will not be able to continue the high quality services the people of the Borders expect to meet their needs.

FIGURE 1 – THE CASE FOR CHANGE



THE SCOTTISH BORDERS: A SUMMARY PROFILE AND SOME OF OUR KEY CHALLENGES

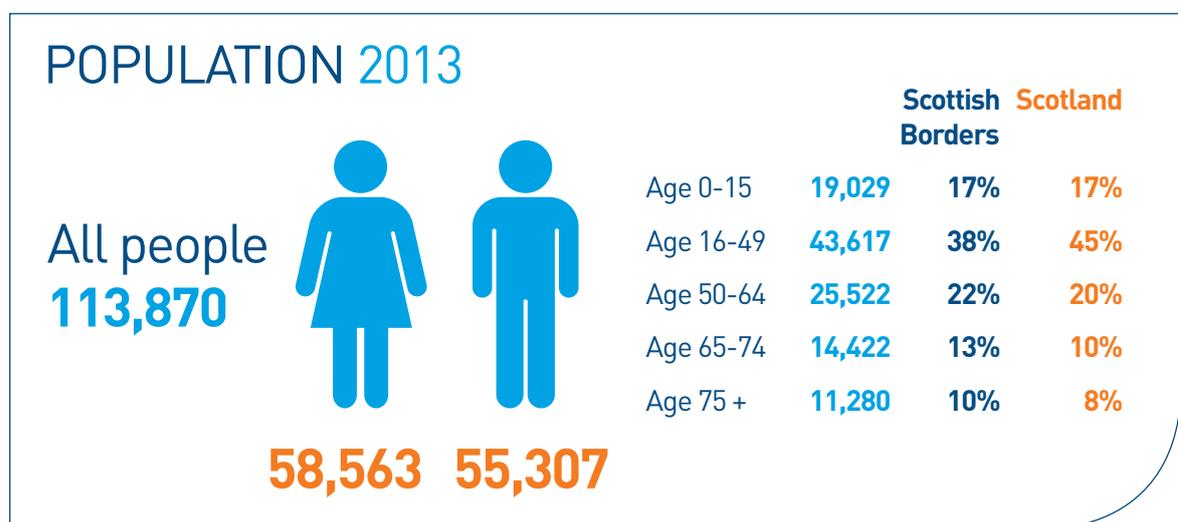
This section of the Plan gives a high level summary profile of the Scottish Borders and some of our key challenges. More detailed information is also available in two further documents published alongside this Plan – Facts and Statistics, and the Joint Strategic Needs Assessment.

Who Lives in the Borders?

Understanding the needs and issues of people and communities across the Borders is critical in the planning and provision of better health and social care services. In this section, we look at how the population structure and characteristics impact on health and social care services. This highlights some of the challenges we need to address.

As the figure below shows, we have a higher percentage of older people than the rest of Scotland.

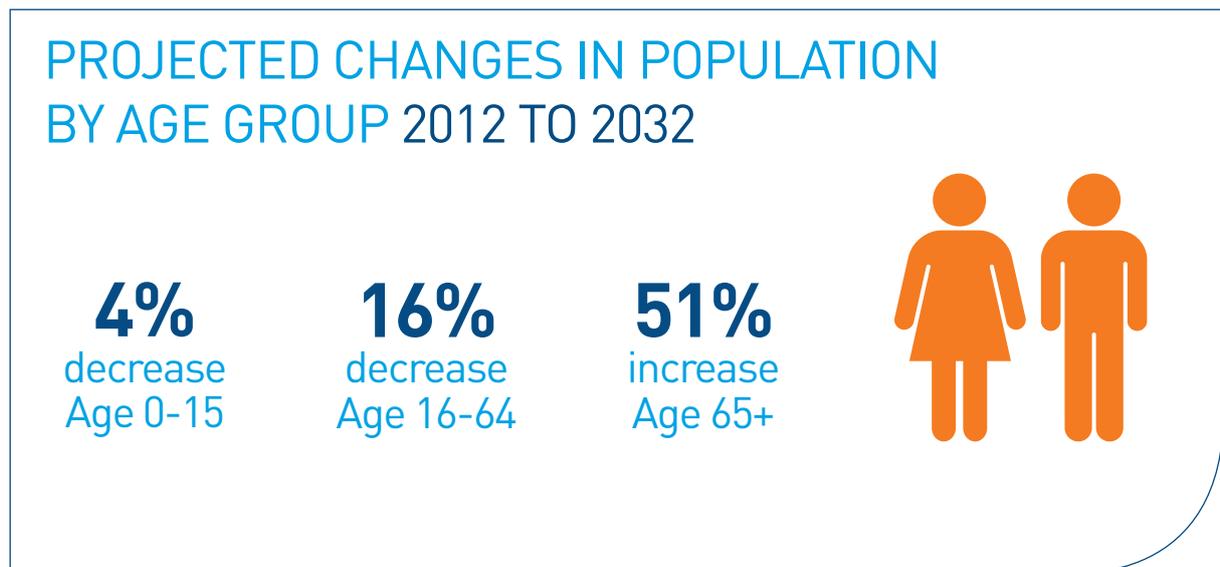
FIGURE 2



Source: National Records of Scotland, mid-year population estimates.

By the year 2032, the number of people aged 65 and over is projected to increase by 51%, a faster rate than the 49% for Scotland overall. The number of people under 65 is also projected to decrease in the Scottish Borders. Age is strongly related to patterns of need for health and social care. These changes will influence how we deliver services in the future. Integration will enable us to work more effectively and efficiently to achieve “Best Health, Best Care, Best Value”.

FIGURE 3



Source: National Records of Scotland 2012-based population projections

WHAT THIS MEANS...

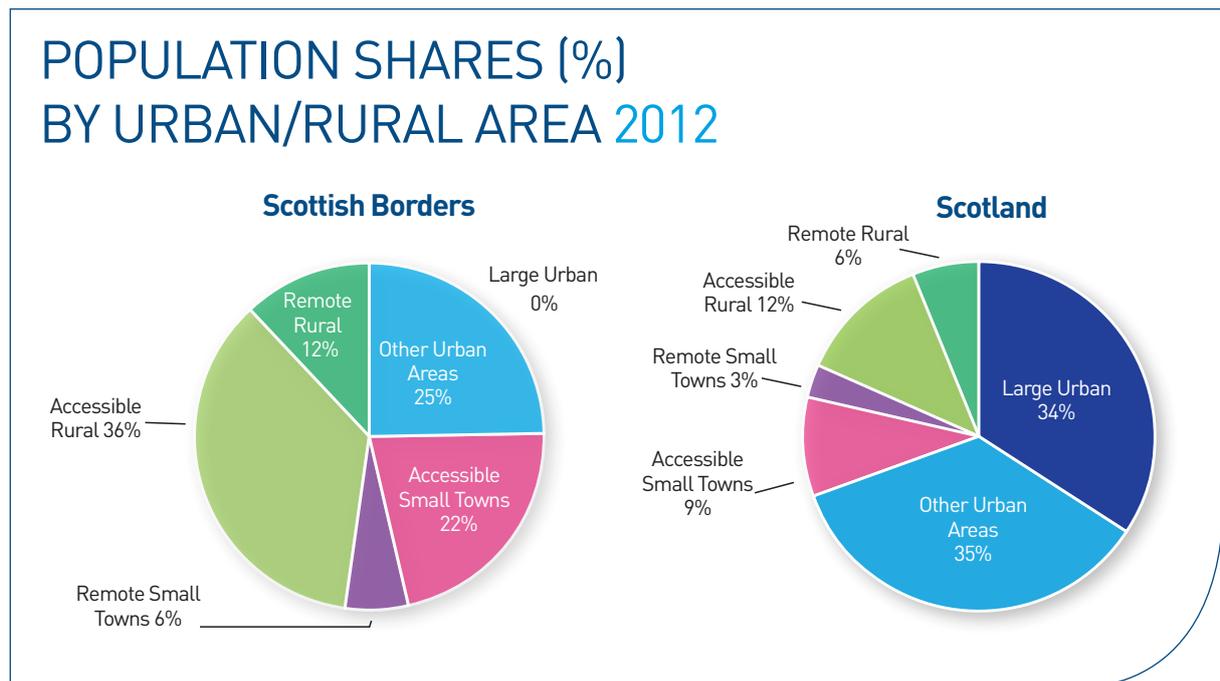
This is a priority. We need to promote active ageing and address the range of needs of older people.

Where do people live?

The Urban/Rural profile of the Borders presents challenges in terms of both the accessibility and cost of services. The challenges are different in nature to those facing densely populated cities such as Glasgow, Edinburgh and Dundee.

In the Borders nearly half (48%) of the population live in rural areas, as shown in Figure 4. Just under one-third of people live in settlements of fewer than 500 or in remote hamlets, in contrast to 34% of the Scottish population who live in "Large Urban" areas (part of towns/cities with populations of more than 125,000). Our main towns are Hawick (with a population of 13,696 in 2013) and Galashiels (population 12,394), which come under the Scottish Government classification of "Other Urban Areas". Peebles, Kelso and Selkirk are the only other towns with a population of more than 5,000. As people in the Borders do not live close together in cities, planning services is more challenging.

FIGURE 4



Source: Scottish Government Urban/Rural Classification 2013/14 and National Records of Scotland

Category	Description
1 Large Urban Areas	Settlements of 125,000 or more people.
2 Other Urban Areas	Settlements of 10,000 to 124,999 people.
3 Accessible Small Towns	Settlements of 3,000 to 9,999 people and within 30 minutes drive of a settlement of 10,000 or more.
4 Remote Small Towns	Settlements of 3,000 to 9,999 people and with a drive time of over 30 minutes to a settlement of 10,000 or more.
5 Accessible Rural	Areas with a population of less than 3,000 people, and within a 30 minute drive time of a settlement of 10,000 or more.
6 Remote Rural	Areas with a population of less than 3,000 people, and with a drive time of over 30 minutes to a settlement of 10,000 or more.

WHAT THIS MEANS...

Services therefore need to be provided locally whenever possible and accessible transport arrangements put in place.

Borders Households

With the changes predicted in the population (see Figure 3 on page 7), we expect an increase in the numbers of older people living alone with complex needs. This will have major implications for housing, health and social care.

More than one third of households in the Borders are made up of one adult. The number of households in the Borders in which one or all occupants are aged over 65 is 25%, higher than the 21% for Scotland as a whole.

FIGURE 5



Source: Scotland Census 2011

The number of single adult households is projected to increase by 24% between 2012 and 2037, whilst the number of larger households is projected to decline. Households headed by people aged 60-74 are projected to increase by 9% and those headed by a person aged over 75 are projected to increase by 90%.

WHAT THIS MEANS...

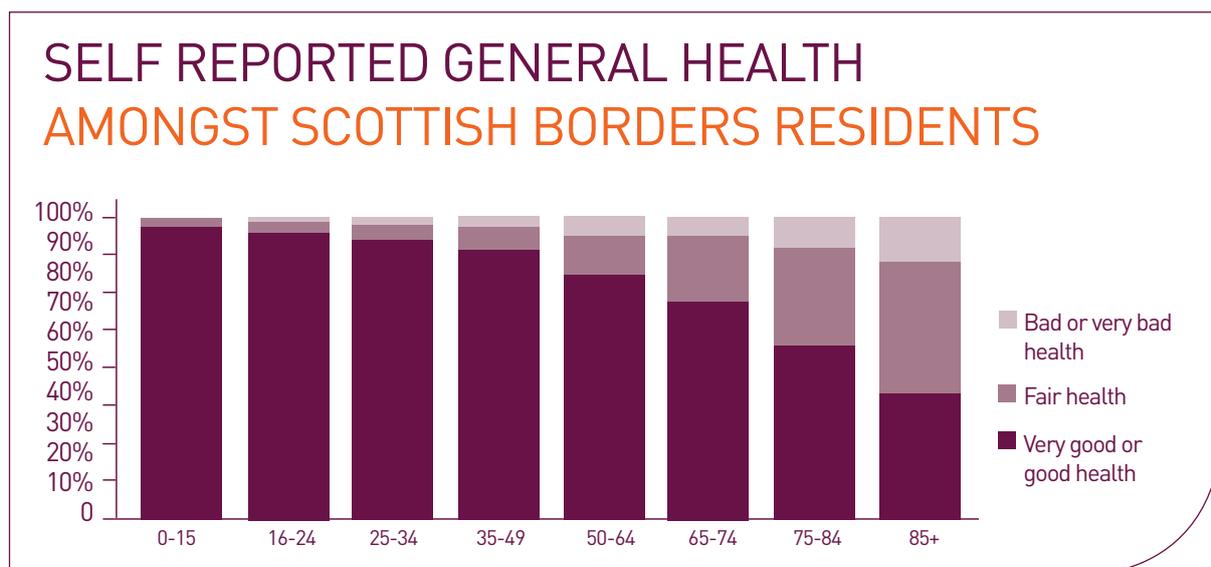
Housing options need to be a key feature of our integrated health and social care services. Our existing Local Housing Strategy (2012-2017) and Housing Contribution Statement (2016) set out our work in relation to housing in more detail. An updated strategy will be in place in 2017.

How Do People in the Borders View Their Health?

In general, people in the Scottish Borders enjoy good health, with 84% considering their health to be 'very good or good'; 12% of respondents consider themselves in 'fair' health, while 4% think their health is 'bad or very bad'.

The graph below shows that the number of people who consider their health to be 'very good or good' decreases with age. For example, more than 1 in 10 people aged over 75 reported their health as being 'bad or very bad', compared with only around 1 in 100 people aged 16-24.

FIGURE 6



Source: Scotland Census 2011

WHAT THIS MEANS...

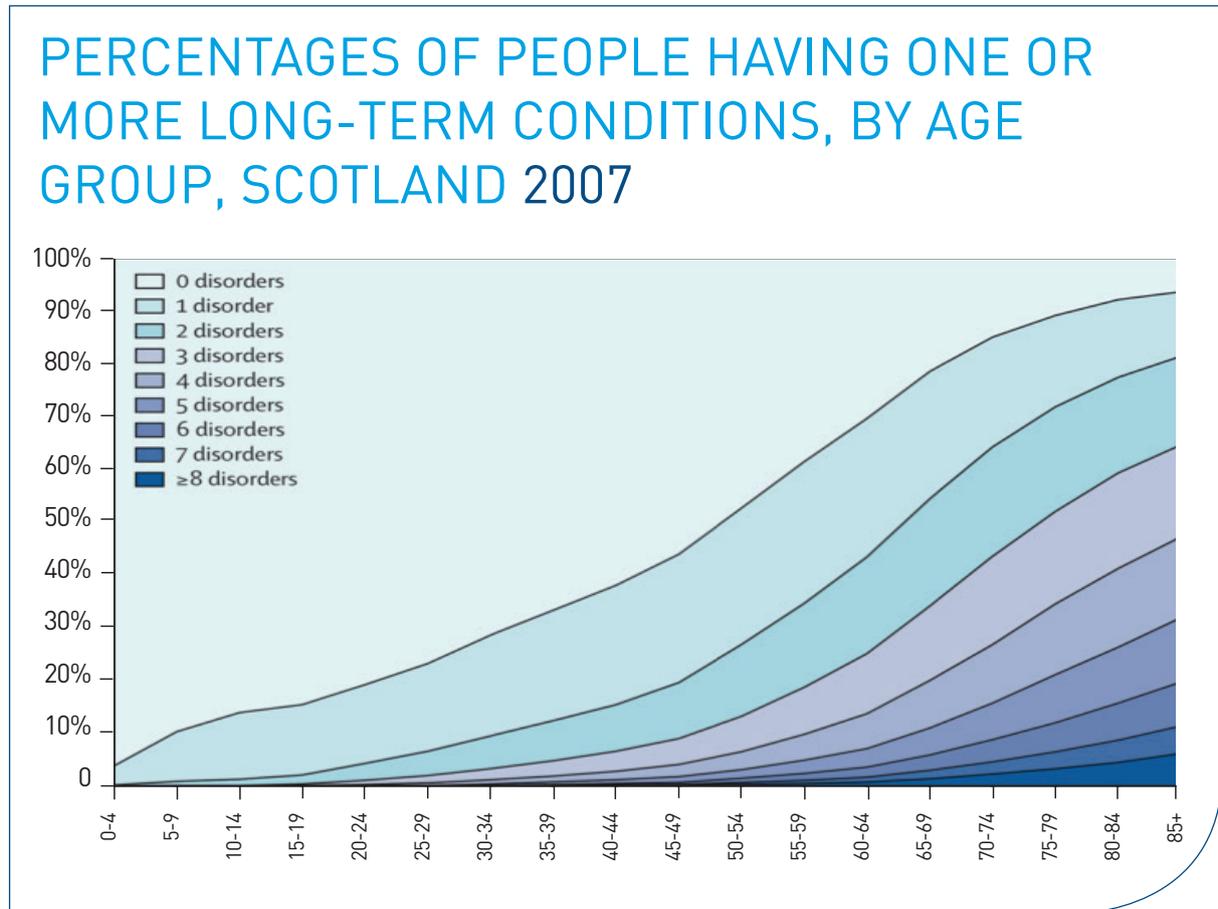
We must enable people to keep well as long as possible through promoting healthier lifestyles, earlier detection of disease, and support to recover and manage their conditions.

People Living with Multiple Long Term Conditions

We know that many people in the Borders live with one or more long-term conditions. This may affect how they access and use services. We need to make sure that services are integrated to support individuals with complex needs, to enable them to manage their conditions to lead healthy, active and independent lives as long as possible.

The number of people living with two or more long-term conditions rises with age as illustrated in Figure 7. For example, nearly two thirds of patients aged 65-84 and more than 8 in 10 patients aged over 85 had multi-morbidity. This presents a significant challenge to plan and deliver health and social care services.

FIGURE 7



Source: Barnett et al [2012]. Epidemiology of multimorbidity and implications for health care, research, and medical education: a cross-sectional study. [www.thelancet.com/journals/lancet/article/PIIS0140-6736\(12\)60240-2/abstract](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(12)60240-2/abstract)

Disability

The needs of people living with disabilities and sensory impairments are distinct from those who live with one or more health conditions. According to the 2011 Scotland Census, 6,995 people in Borders live with a physical disability. We have at least 555 people aged over 16 in our population who have a learning disability. About 2,300 people are estimated to have severe sensory impairment.

WHAT THIS MEANS...

People with a disability need flexible support arrangements to maintain and improve their quality of life.

It is estimated that around 500 people in our population are blind or have severe sight loss, while 1,800 people have severe or profound hearing loss. The National Health and Wellbeing Outcomes focus on people having a positive experience and their dignity respected when in contact with health and social care services, and that services are to be centred on helping maintain and improve the quality of life of people who use those services. This means that we must ensure services are accessible and easy to use by people with sensory impairment.

At the time of the 2011 Scotland Census, 612 people resident in Scottish Borders identified themselves (or were identified by a member of their household) as having a Learning Disability. 485 people in this group (81%) were aged 16 or over in 2011. Meanwhile, the total number of adults with Learning Disabilities known to Scottish Borders services is higher than the figures captured through the Census. As at March 2014, 599 people aged over 16 with Learning Disabilities were known to Scottish Borders services, of which 555 had confirmed addresses in the area.

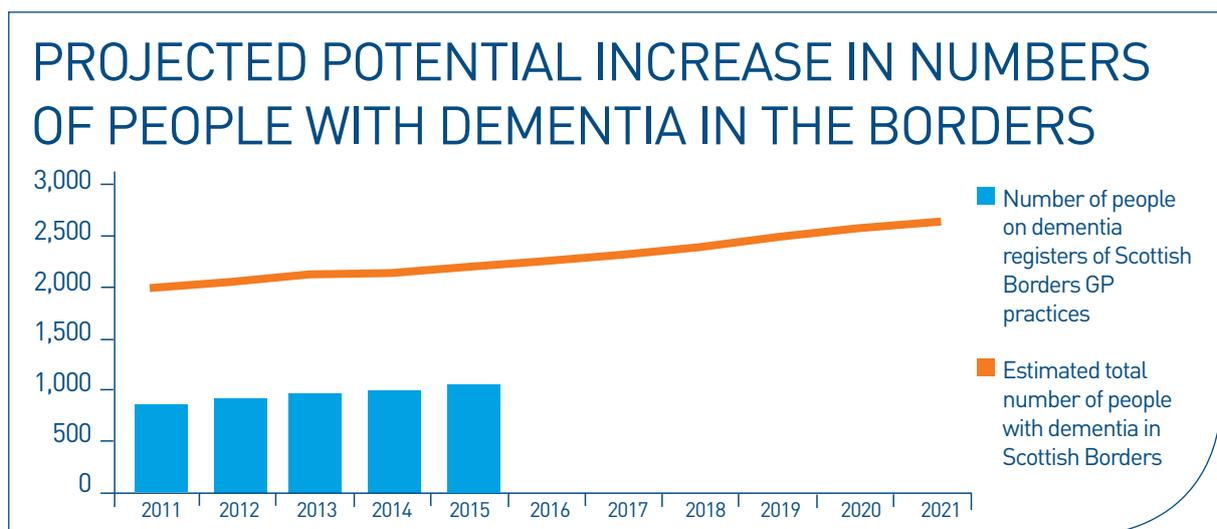
Learning Disability resources within NHS Borders and Scottish Borders Council Social Work were formally integrated in 2006. The Scottish Borders Learning Disability Service provides a range of specialist health and social care services for people with learning disabilities. The service is open to people with learning disabilities who need additional support to access other health and social care services, or whose needs are complex and require a more specialist intervention than that provided by mainstream Health and Social Care services. As part of the Learning Disability governance structure, people with learning disabilities and family Carers have places at the Partnership Board table to help inform decision making and strategic direction. Locality citizens' panels throughout the Borders provide opportunities for conversations between the Learning Disability Service and people directly affected by learning disabilities. A local area coordination service supports people to be more involved in their local communities.

Around one in four Scottish adults will experience at least one diagnosable mental health problem every year, and we are all likely to experience poor mental wellbeing at some point in our life. Due to the stigma related to mental illness, many will not access treatment and tend to have poorer health outcomes. Mental Health Services are in the process of developing integrated teams to provide easy access and multi-agency support to people with mental health needs. A full mental health needs assessment has been completed and this will help shape how we plan services in the future.

Dementia

Dementia is a growing issue and represents a challenge for planning and providing appropriate integrated care. The number of people living with dementia is projected to increase across Scotland, however the rate of increase in the Borders may be faster than the Scottish average as our population is older. Figure 8 below shows the number of people diagnosed with dementia in the Borders (shown in blue bars). For a number of reasons, including difficulties in diagnosis, the actual figures of people living with dementia are likely to be higher. The red line shows the likely number of people and how this number is predicted to increase over time as the population ages.

FIGURE 8



Source: 1. Diagnosed cases: Quality and Outcomes Framework (QOF) www.isdscotland.org/qof 2. Estimated overall numbers of cases: Scottish Government projection, based on 'Eurocode' prevalence model used by Alzheimer's Scotland, and 2010 - based population projections.

WHAT THIS MEANS...

A range of support needs to be provided for people with dementia and their Carers, with appropriate training for all involved, to provide care across all settings.

People Living with Complex and Intense Needs

Health and Social Care resources are not utilised evenly across the population, as illustrated in the box below. As a Partnership, we need to develop a better understanding of the people who use very high levels of resource and use this knowledge to help plan our services more effectively. For example, where someone has had multiple hospital admissions and/or visits to A&E, it might have been more appropriate to deliver more of their care at home or in another community setting and reduce the risk of them having an avoidable admission to hospital. Changes in how care is provided to these people could produce better outcomes for them and allow us to treat more people more effectively.

Work to support people living with complex and intense needs will include:

- Identification of the main factors that increase the risk of emergency admission or re-admission to hospital;
- Use of this information to help strengthen our responses to patients and service users earlier on, and
- Exploration of alternative models of care.

USE OF HEALTH AND SOCIAL CARE RESOURCES: AN EXAMPLE

Analysis of expenditure in 2012/13 showed that:

- 2,332 people (2.5% of all Scottish Borders residents using selected major health services*) accounted for half of all expenditure on those services.
- 1,451 people aged 65 and over (7% of Scottish Borders residents aged 65+ who used any of the selected health services) accounted for half all expenditure on people aged 65 and over across those services.

*Health Services included in the analysis were: A&E attendances, inpatient and day case hospital admissions (all specialties), new attendances at consultant-led outpatient clinics, and community prescribing.

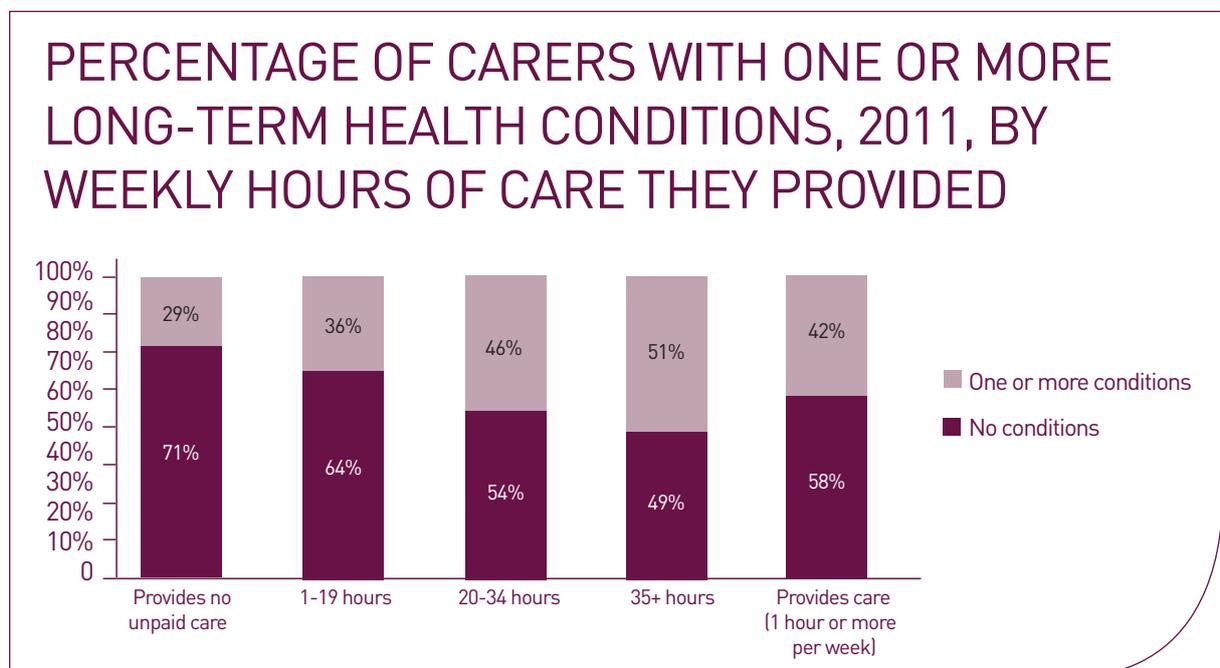
Source: Integrated Resource Framework (IRF), ISD, NHS National Services Scotland.

Carers in the Borders

Health and Social Care Services are dependent on the contribution of Carers*. In the Borders, approximately 12,500 people aged 16 and over provide unpaid care, around 13% of people in this age group.

The burden of caring is greater in more deprived areas. 46% of Carers living in the most deprived areas of the Borders provide 35 or more hours of care per week, compared with 22% of Carers living in the least deprived areas. Research also indicates that providing care for someone else often affects the Carer's own health – and Carers are often themselves older people with one or more long term conditions. More Carers (42%) than non-Carers (29%) have one or more long-term conditions or health problems. Of people providing more than 50 hours of unpaid care per week, 13% rated their own health as 'bad or very bad' compared with 4% of people who were not Carers.

FIGURE 9



Source: Scotland Census 2011 / Scotland's Carers (Scottish Government, March 2015).

WHAT THIS MEANS...

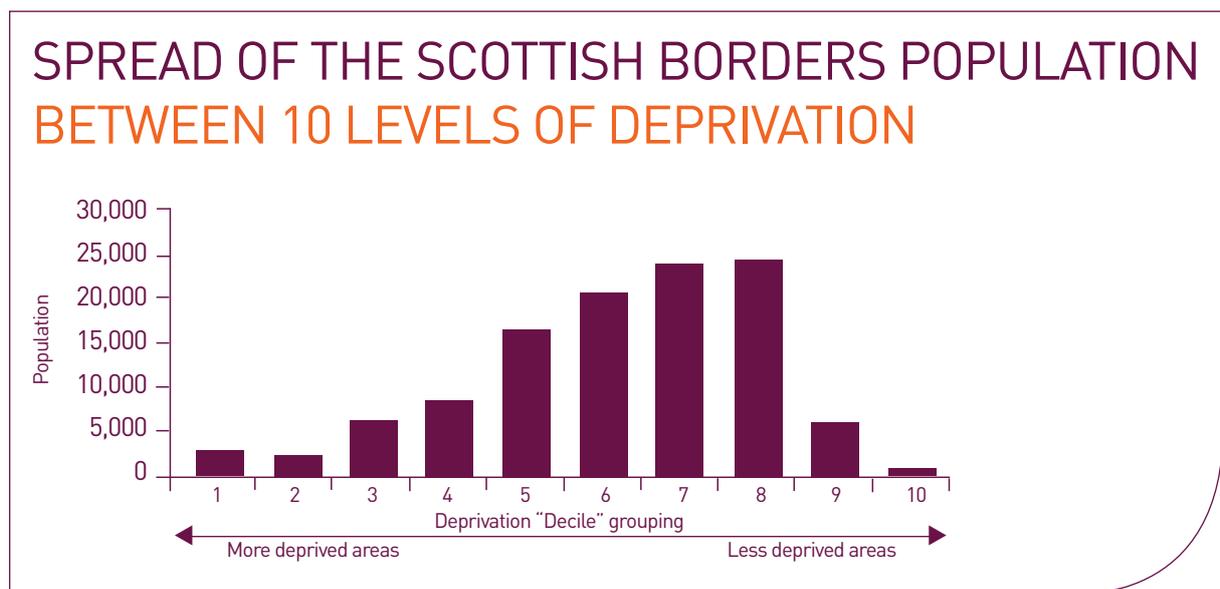
A range of easily accessible information and available support needs to be a key priority to ensure the wellbeing of Carers.

*Carers are individuals who care for a friend, relative or neighbour without receiving paid income in addition to income received through the benefits system. [Definition source: Care 21 Report: The future of unpaid care in Scotland. www.gov.scot/Publications/2006/02/28094157/0].

Deprivation in the Scottish Borders

Deprivation has a big effect on the need for, and use of, health and social care services. Taken as a whole, levels of deprivation in the Borders' population are relatively lower in comparison to Scotland. Figure 10 below shows the spread of our population between 10 different categories of deprivation (with 1 being the most deprived and 10 being the least deprived). If our deprivation profile were the same as Scotland's, we would see about 10% of our population in each category. What we see instead is an uneven distribution, with clearly less than 10% of our population living in the most deprived areas. However, some of our more urban areas - in Burnfoot (Hawick) and Langlee (Galashiels) - continue to show as amongst the most deprived in Scotland.

FIGURE 10



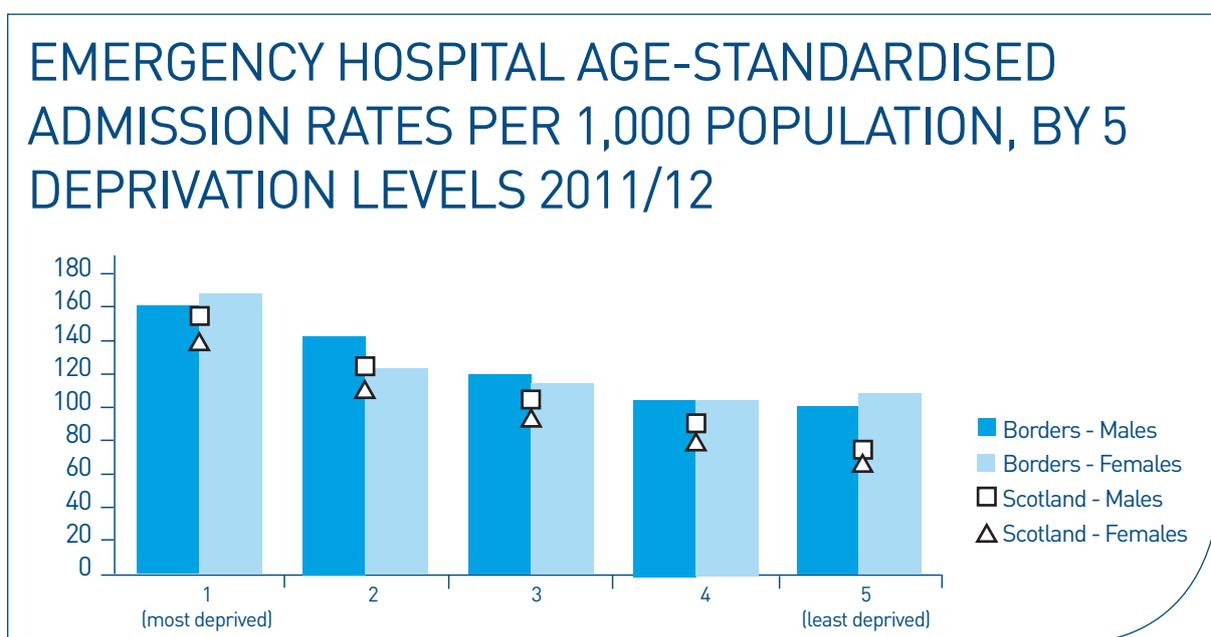
Source: Scottish Borders Strategic Assessment 2014

We know, however, that deprivation is not confined to geographical areas. It also applies to more vulnerable groups who may live in deprived circumstances, such as homeless people, offenders, people with disabilities and/or mental health problems.

An example of how the use of health and care services varies by deprivation is shown in Figure 11 below. The Borders follows the national pattern of having higher emergency hospital admission rates for people living in areas of higher deprivation. The figure also shows that emergency admission rates in the Borders are higher than the Scottish average within any given deprivation grouping.

A report on deprivation-related hospital activity noted: “Given that people at increased risk of health inequalities make proportionately greater use of acute and community health services, hospitals offer an important opportunity for health improvement actions to reduce health inequalities”. The need for health and social care services to contribute to reducing health inequalities is the focus of the Scottish Government’s National Health and Wellbeing Outcome number 5 (see Appendix B).

FIGURE 11



Source: NHS Health Scotland (March 2015) Hospital discharges and bed days in Scotland by deprivation 2011-12.

WHAT THIS MEANS...

The Strategic Plan and Locality Plans that we will be developing in 2016 must reflect the local needs of communities, recognising patterns of deprivation and inequality. These plans will cross-reference with work already being developed under our Reducing Inequalities Strategy.

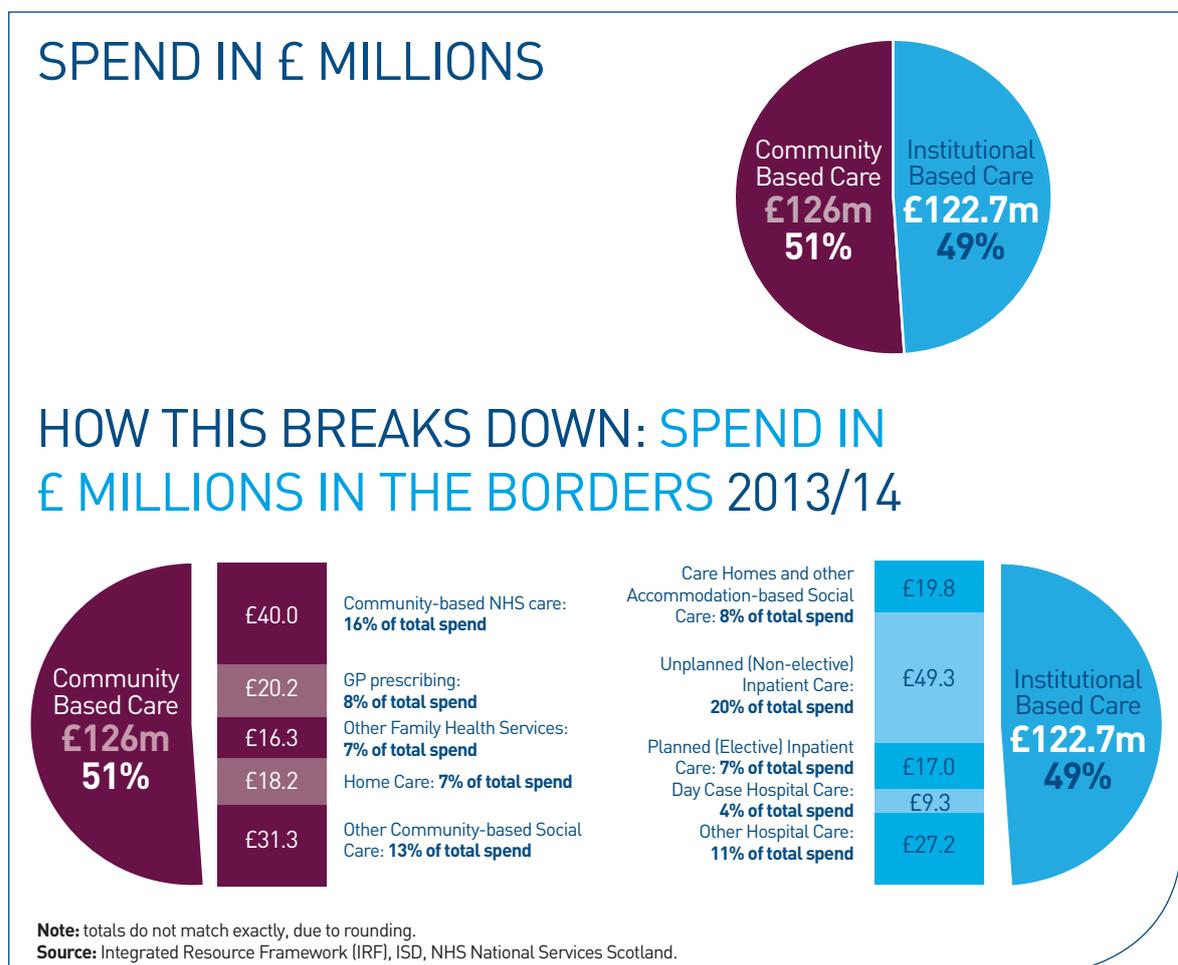
HEALTH AND SOCIAL CARE SPENDING

The total NHS and social care spending in the Borders in 2013/14 was £248.7m. All NHS services are included in this total – including health services that are not covered by integration (such as planned outpatient and inpatient care). The overall spending was split 51% Community-Based Care versus 49% Institutional Care.

- Community-Based Care comprises all NHS community services, family health services including GP prescribing, and all social care expenditure excluding accommodation-based social care services.
- Institutional Care comprises all hospital-based care including outpatients, day case and day patients, plus accommodation-based social care services.

The Borders has already made significant progress towards the aim of providing more care in the community compared with Scotland as a whole, where the split was 44% on Community-Based Care versus 56% on Institutional care.

FIGURE 12



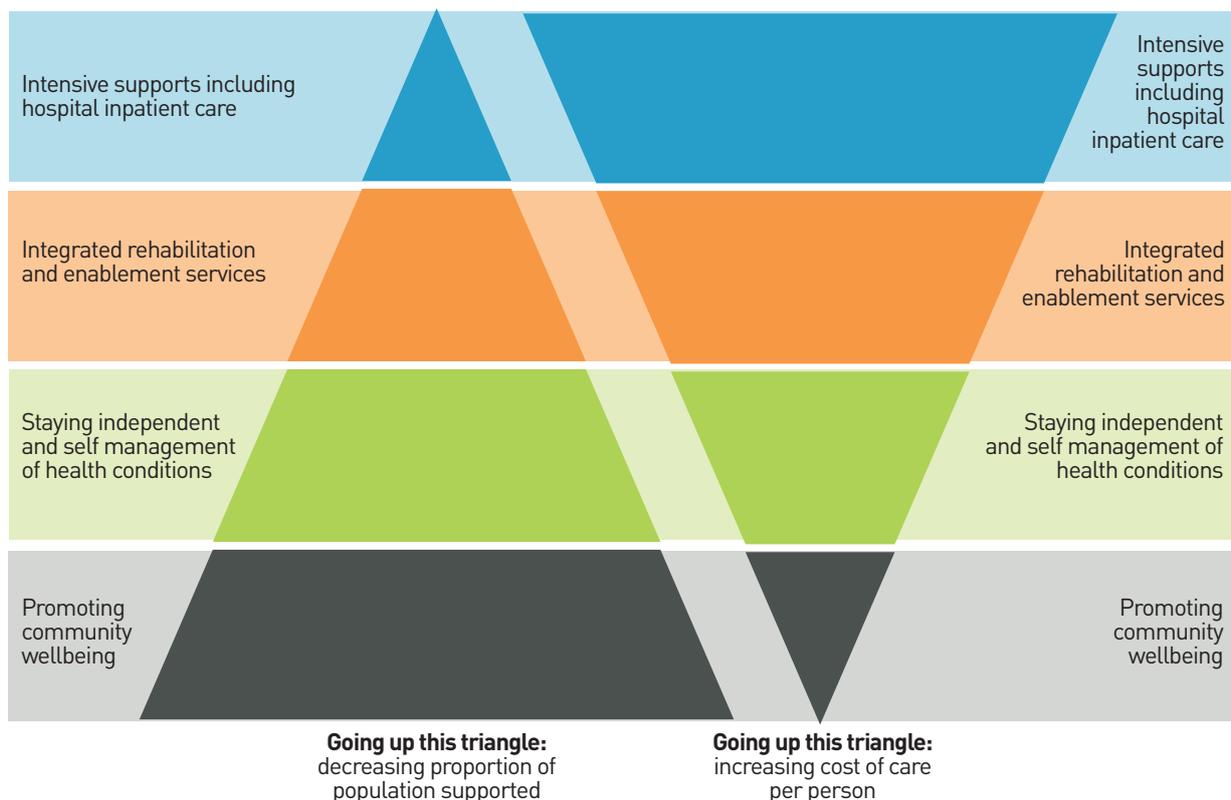
Shifting the Balance of Care Towards Prevention and Early Intervention

The aim of integrated health and social care services is to shift the balance of care towards prevention and early intervention to ensure that individuals have better health and well-being. Services need to be redesigned around the needs of the individual, to:

- Ensure that their journey through their care and treatment is as integrated and streamlined as possible;
- Enable them to remain independent for as long as possible; and
- Support them to recover after illness and at times of crisis.

In Figure 13 below, services that promote health and well-being are shown at the bottom of each triangle, whilst intensive support services (such as acute hospital inpatient care) are shown at the top. The triangle on the left shows that a small number of people need the intensive support and care provided within hospital. However the triangle on the right shows that this small group of people use a large amount of total resource available for health and social care.

FIGURE 13
CURRENT CARE MODEL

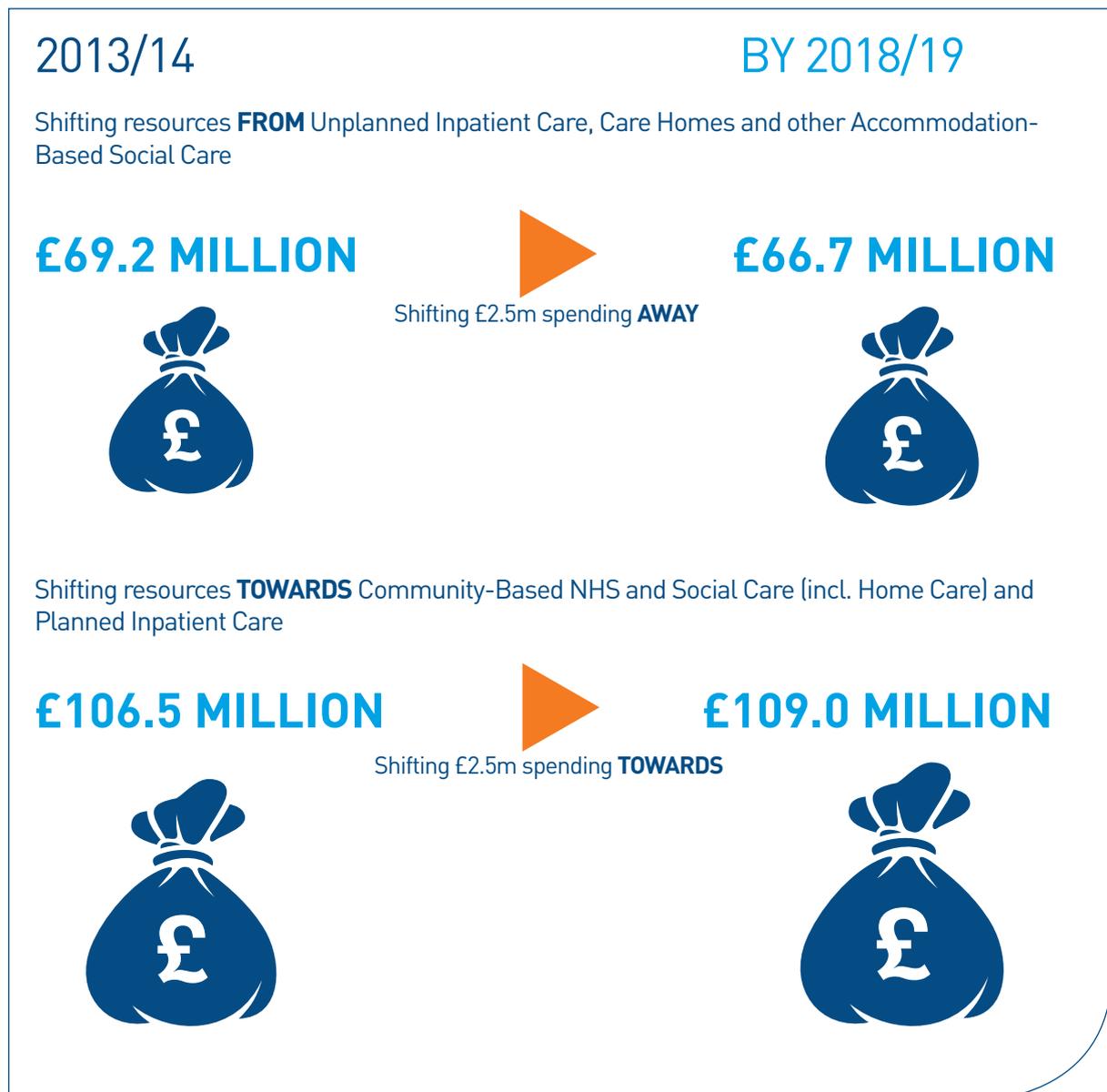


If we are able to improve health and wellbeing through preventive and supportive community-based care, resources can be moved and the balance of care shifted into the community as illustrated in Figure 14.

What shifts do we need to make?

By shifting just 1% of our total spend of approximately £250m FROM Unplanned Inpatient Care and Institutional-Based Social Care TOWARDS Community-based NHS and Social Care and Planned Inpatient Care, we will use our resources more effectively. This will help us invest in new integrated ways of working particularly in terms of early intervention, reducing avoidable hospital admissions, reducing health inequalities, supporting Carers and independent living.

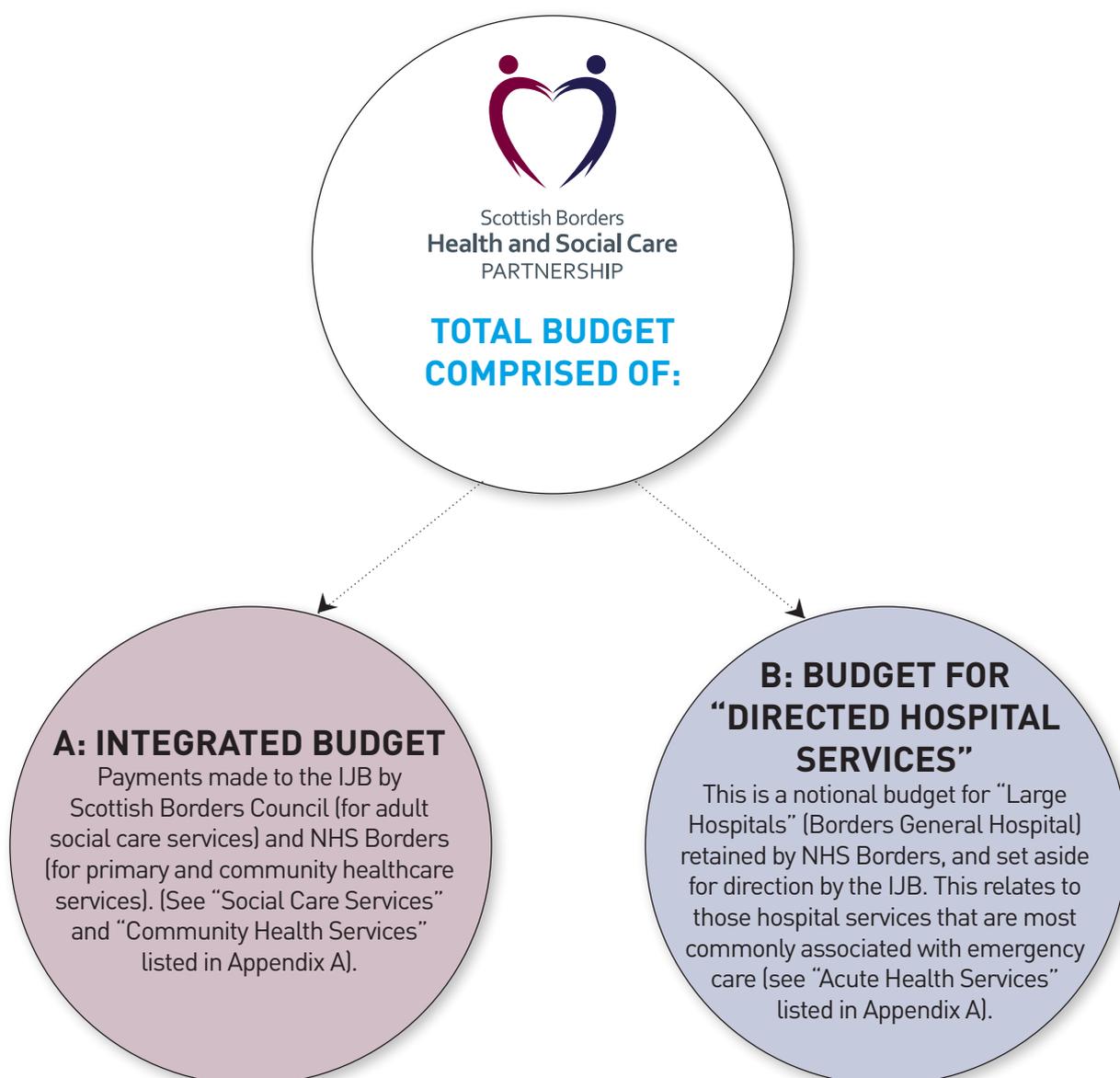
FIGURE 14



The Health and Social Care Partnership's budget

We have shown above that total NHS and social care expenditure in the Borders in 2013/14 was £248.7m. The budget the new Health and Social Care Partnership will be responsible for will represent a high proportion (about two thirds) of total spend on Health and Social Care. The use of this budget will be directed by the Partnership's Integration Joint Board (IJB), which is a separate legal entity from either the Council or the NHS Board, and is responsible for directing and overseeing the delivery of integrated health and social care services in the Borders. Details of our final budget for 2016/17, once formally approved in March 2016, will be published in our first annual Financial Statement at www.scotborders.gov.uk/integration. The Financial Statement will support the delivery of this Strategic Plan.

FIGURE 15



WHAT YOU SAID AND WHAT WE PLAN TO DO

This section of this document describes some of the actions we will take to start to make the shift towards more community-based health and social care services, the outcomes we will seek to achieve and the steps we will take to deliver our local objectives. We describe some of the performance measures we will use to assess the progress we are making. This has been influenced by what you have told us was important to you.

Each of our 9 Strategic Objectives is set out on the following pages with:

- A reflection of some of your feedback relating to each objective.
- An outline of how we intend to deliver what is needed to achieve the objective.
- Examples of activities identified in our current service strategies which relate to the objective. Although many examples give the name of a particular service or strategy in brackets, all of the objectives apply to all of our client/patient groups and we intend that they all benefit from these approaches.
- Related projects which are already underway.
- What people can expect to see in terms of targets and outcomes against each objective over the next 3 years.

Objective 9 - We want to improve support for Carers to keep them healthy and able to continue in their caring role - was added as a Strategic Objective following the round of consultation in May and June 2015. This reflects the way in which engagement with the people who use and provide our services is central to the development of our Strategic Plan and the activities that underpin it.

The information given on the following pages is not exhaustive. This high-level Plan will be supported by the implementation of Strategies related to specific themes (such as Dementia, Mental Health) and Locality Plans that reflect differing patterns of need across the Borders.

As a Health and Social Care Partnership, we also have a Public Sector Equality Duty under the Equality Act (2010). We have a duty to:

- Eliminate unlawful discrimination, harassment and victimisation.
- Advance equality of opportunity between people who share a characteristic that is protected under the Act, and those who don't.
- Foster good relations between people who share a characteristic and those who don't. This involves tackling prejudice and building understanding.

The characteristics that are protected under the Act are:

<p>AGE Younger people, older people, or any specific age group</p>	<p>DISABILITY Including physical, sensory, learning, mental health and health conditions</p>	<p>GENDER Male, Female and Transgender</p>
<p>MARRIAGE AND CIVIL PARTNERSHIP Including single, divorced, civil partnership, married, separated</p>	<p>PREGNANCY AND MATERNITY Including breastfeeding</p>	<p>RACE People from ethnic minorities including Gypsy Travellers and Eastern European immigrants</p>
<p>RELIGION OR BELIEF Including people who have no belief</p>	<p>SEXUAL ORIENTATION Bisexual, Gay, Heterosexual and Lesbian</p>	<p>CARERS Both formal and informal carers</p>

In taking forward the work of the Health and Social Care Partnership, we will embrace these duties and ensure that all requirements are met, through the implementation of the Business and Commissioning Plans for the Service and Strategic areas that are Integrating.

OBJECTIVE 1

We will make services more accessible and develop our communities

Strong communities are a real asset of the Borders. Community capacity building makes a big improvement to the health and independence of people.

What we heard you say is important to you:

- Ensure information is up-to-date, accessible both off- and on-line and improve how people are directed to and can access services.
- Build on existing work to increase to community capacity throughout the Borders.
- Use community-based education from an early age to encourage better lifestyles.

We want to:

- Improve access and signposting to our services and information, and assist people to help themselves.
- Develop local responses to local needs.
- Communicate in a clear and open way.

Some examples of how we intend to do this through our current services and strategies:

- Improve co-ordination for individuals and build capacity in communities to support older people at home. (Older People).
- Put people with dementia at the centre of planning and providing services and ensure they are able to live independently within their own homes and community. (Dementia).
- Improve information and advice to Carers. (Carers).
- Strengthen partnership and governance structures. (Drugs and Alcohol).
- Achieve best outcomes for service users, foster recovery, social inclusion and equity. (Mental Health and Wellbeing).
- Ensure that people with sensory loss receive seamless provision of assessment, care and support. This will be provided by local partnerships, which will identify local priorities and approaches. This will include a review of the local sensory loss strategy in the light of the publication of the national "See Hear" Strategy. (Sensory Services).
- Develop a multi-agency training strategy and programme, specialist development sessions and forums, disseminate knowledge, share good practice and enhance practitioner skills. (Adult Support & Protection).
- Health literacy training (delivered by Health Improvement Team) for staff to improve the accessibility of information about keeping well and services.
- Delivering affordable housing across the Scottish Borders; working with local housing associations to provide housing which is warm, in good condition and fit for purpose.

OBJECTIVE 1 - continued

These are some of the changes that we have started to make:

- **Burnfoot Community Hub** – supporting the creation of a Community Hub facility to allow delivery of a range of community services and activities.
- **Borders Community Capacity Building** – supporting older people in Cheviot, Tweeddale and Berwickshire to establish or create new activities and support in their local communities – initiated through co-production and involving local residents.
- **Learning Disabilities** – Involve service users in the design and delivery of services. Local area co-ordinators are available to support people in accessing support and services in their local communities.
- **Locality Citizens Panels** – providing forums for people with learning disabilities and their Carers to meet and discuss local issues affecting them, and to contribute as part of the Learning Disabilities governance structure.
- **Locality Planning/Locality Management** – Taking into account the varying needs of the Borders population, we will have local plans and will devolve some services accordingly.

We will measure performance against this objective over the next three years by measures including:

- We would like to maintain 90% of adults in the Borders rating the overall care provided by their GP as “Excellent” or “Good” (higher than 87% overall for Scotland) in 2013/14. (Source: Health and Care Experience Survey 2013/14, Scottish Government.)
- We want to increase the proportion of adults who received support and care services in the Borders and rated the services as “Excellent” or “Good” in 2013/14 from 83% to 85%.
- We want to see the number of adults who agree that the support or care services they had received improved or maintained their quality of life from 83% (lower than the Scottish average of 85%) to 86%.

OBJECTIVE 2

We will improve prevention and early intervention

Ensuring that people struggling to manage independently are quickly supported through a range of services that meet their individual needs.

What we heard you say is important to you:

- Be proactive about providing early intervention and prevention: support people better/earlier, and promote existing services e.g. health checks at GP surgeries.
- More Anticipatory Care Planning for people, their families or Carers.
- Work with other organisations, staff and people to develop integrated approaches to prevention and promote personal responsibility.
- More acute care and community services in local communities.
- Local wheelchair-friendly housing options.
- A good transition into adult services that ensures young adults with disabilities can live as independently as possible and can prevent/reduce reliance on services.

We want to:

- Prioritise preventative, anticipatory and early intervention approaches.
- Focus services towards the prevention of ill health, to identify problems earlier on, to anticipate the need for support, to offer care and support at an early stage, and to respond where possible to prevent crisis.
- Improve supports for people to manage their health conditions, improve access to healthcare when required, and make best use of recovery models.
- Ensure that young people with disabilities transition from children's to adult services in a seamless way.

Some examples of how we intend to do this through our current services and strategies:

- Help the growing pool of 'young old' people to stay well through prevention measures. (Older People).
- Reduce the amount of drug and alcohol use through early intervention and prevention. (Drugs and Alcohol).
- Promote healthier lifestyles for patients, staff and visitors through our health improvement campaign 'Small changes, big difference'.
- Increase referrals to services that support lifestyle change, such as Lifestyle Advice & Support Services (LASS) and Quit4Good (smoking cessation services) in primary care; and signpost to community resources such as 'Walk It' groups to promote physical activity.
- Strengthen falls prevention work.
- Deliver the Long Term Conditions project to support people to manage their conditions better.
- Promote uptake of health screening opportunities and immunisation programmes.
- Raise awareness of signs and symptoms of health conditions (physical and mental health) and encourage people to get checked early (e.g. Detecting Cancer Early campaign; Suicide prevention training).

OBJECTIVE 2 - continued

Examples of how we intend to do this through our current services and strategies (continued):

- Provide Housing Options and Housing Support, directly and with partners, to help people remain in their own home and prevent homelessness. This includes Housing Officers visiting vulnerable households on a regular basis – identifying the needs of those people.
- Promote social contact with local resources to reduce isolation and loneliness.
- Develop a mechanism to ensure that anticipatory care plans are used effectively.
- Implement the recommendations in the Mental Health Needs Assessment.
- We will work with all partners to raise awareness about dementia and improve diagnosis rates.
- Review the support mechanisms for transition into adult services (Physical Disability).

These are some of the changes that we have started to make:

- **Telehealth Care** – look at how technology can be used to provide better home-based health care services.
- **Lifestyle Advice and Support Services (LASS)** – strengthen pathways from acute care to these services.
- **Bowel Screening** - Improve uptake in deprived areas.
- **Long Term Conditions** - Test out new ways of working to support the shared-management of long term conditions.
- **Targeted health improvement projects for people with learning disabilities.** For example 'A healthier me'.

We will measure performance against this objective over the next three years by measures including:

- We want to maintain and improve on the 96% of Scottish Borders GP practice patients who felt that they were able to look after their own health 'very well' or 'quite well' (a little higher than the Scottish average of 94%) (Source: Health and Care Experience Survey 2013/14, Scottish Government).

OBJECTIVE 3

We will reduce avoidable admissions to hospital

By appropriate support in the right place at the right time, we will ensure people are supported to remain in their own homes.

What we've heard you say is important to you:

- Ensure essential equipment is easily accessible at all times for people, staff, families and Carers.
- Improve discharge planning to ensure it is clearly communicated and coordinated.
- Ensure there is an integrated response to prevent admissions.
- Increase self-referral and reduce waiting list times so that people can be supported as quickly as possible before their needs change.

We want to:

- Reduce unnecessary demand for services including hospital care. If a hospital stay is required we will minimise the time that people are delayed in hospital.

Some examples of how we intend to do this through our current services and strategies:

- Help older people to stay well through prevention measures; improve coordination and help them in making their way through the health and social care system.
- Build capacity in communities to support older people at home.
- Holistic assessments and personalised care planning that addresses broader health and social care issues important to individuals, such as welfare benefits/financial issues, housing issues, and social connectedness.
- Stronger links with community based support services/resources.
- Housing - Provide well insulated, comfortable homes to help prevent existing health problems from becoming worse. Ensure adaptations to homes, such as grab rails, are in place to help prevent falls or other injuries, and to help keep people independent.

These are some of the changes that we have started to make:

- Connected Care – aims to create improved community support to prevent hospital admission and ensure timely discharge. We are working with other organisations to develop new and improved approaches to make this happen.

OBJECTIVE 3 - continued

We will measure performance against this objective over the next three years by measures including:

- We would like to reduce overall rates of emergency hospital admissions by 10%, by improving health and care services for people in other settings.
- We would like to reduce the rate of multiple emergency hospital admissions in people aged 75 and over, by 10%, by improving health and care services for people in other settings.
- We will reduce instances of patients being readmitted to hospital within 28 days of discharge by 10%.
- We will reduce falls amongst people aged 65 and over by 10%.

OBJECTIVE 4

We will provide care close to home

Accessible services which meet the needs of local communities, allows people to receive their care close to home and build stronger relationships with providers.

What we've heard you say is important to you:

- Ensure there are appropriate and accessible services in the community to support prevention.
- Ensure that the right staff are in place to support people who need to access services.
- Work more closely with our communities and organisations and make better use of local knowledge.
- Make the care profession a more attractive career.

We want to:

- Support people to live independently and healthily in local communities.
- Improve care pathways to ensure more co-ordinated, timely and person-centred care.
- Ensure the right services are in place to meet people's needs.
- Ensure staff (and Carers) have the necessary knowledge, skills and equipment to provide care at/close to home.
- Move to outcome-focussed delivery of care and support.

Some examples of how we intend to do this through our current services and strategies:

- Work with other organisations so people with a physical disability can live as independently as possible; develop opportunities for people with a physical disability to fully engage in their local community; and improve access to public transport. (Physical Disability).
- Build capacity in communities to support older people at home.
- Have appropriate housing in place to keep people independent. (Older People).
- Ensure people with dementia have access to services which enable them to remain independent within their own homes and community as long as practical. (Dementia).
- Develop a joint approach to commissioning; achieve the best outcomes for service users; foster recovery, social inclusion and equity; and achieve a balanced range of services. (Mental Health and Wellbeing, Older People).
- Deliver a programme of workforce development to ensure that staff have the right skills to support people with more complex care needs.
- Use Locality Planning to inform service development based on the needs of people in each of our localities.

OBJECTIVE 4 - continued

These are some of the changes that we have started to make:

- **Health Improvement** – To support people to live well with long term conditions – we will promote self-management to empower people and their Carers to actively engage in creating individualised care.
- **Borders Ability Equipment Store** – Ensure provision meets the future demands of a growing elderly population which will require additional equipment, technology options and support.
- **Introduction of local area co-ordination services for Learning Disabilities.**
- **Change models of support** – reduce the number of people with Learning Disabilities living in a care home setting to living in a Supported Living Model of support.

We will measure performance against this objective over the next three years by measures including:

- We would like to see more people supported and cared for in their own homes or another homely setting, currently 65% in the Borders and 62% in Scotland overall.
- We would like to maintain the average proportion of the last six months of a person's life that they spent at home at 91.6%, a little higher than the Scottish average of 91.2%. (Source: Health and Care Experience Survey 2013/14, Scottish Government).

OBJECTIVE 5

We will deliver services within an integrated care model

Through working together, we will become more efficient, effective and provide better services to people and give greater satisfaction to those who provide them.

What we've heard you say is important to you:

- More integrated and proactive local teams, sharing responsibility and enabling faster decision making.
- Recognise and clarify the roles of all organisations involved in providing health and care services and make better use of each other's skills and experience.
- Integrate IT systems between organisations to improve communications and information sharing.
- Ensure communities are considered individually when planning health and care services.

We want to:

- Ensure robust and comprehensive partnership arrangements are in place.
- Pro-actively integrate health and social care services and resources for adults.
- Integrate systems and procedures.
- Ensure that our workforce are equipped to provide good quality, effective, integrated services with the person at the centre.

Some examples of how we intend to do this through our current services and strategies:

- Improve the coordination and help for individuals making their way through the health and social care system. (Older People).
- Develop an integrated approach to commissioning, and achieve a balance of services. (Mental Health and Wellbeing, Older People).
- Improve access and develop effective and integrated quality services. (Sensory Impairment).
- The housing sector in the Borders has a range of partnership mechanisms to enhance the level of staff engagement, including the Local Housing Strategy Partnership, Borders Housing Hub, New Borders Alliance and the Strategic Housing Investment Plan Working Group.

OBJECTIVE 5 - continued

These are some of the changes that we have started to make:

- **Mental Health Integration** – build on existing arrangements in Mental Health Service to integrate community teams.
- **Improve integration of health and social care provision.** (Learning Disability, Older People).
- **Co-production approach** – professionals and patients/clients working together to review, redesign and deliver integrated services.

We will measure performance against this objective over the next three years by measures including:

- We would like to see the proportion of adults who agreed that their health and care services seemed to be well co-ordinated rise from 79% (the average for Scotland) to 85% (Source: Health and Care Experience Survey 2013/14, Scottish Government).
- We would like to reduce the number of bed-days occupied by adults due to delayed discharge across all ages, but particularly for those aged 75 and over, from 84% to the Scottish average of 73%.
- We will do more to support and empower our staff and achieve a higher proportion of employees who would recommend their workplace as a good place to work. Currently 56% of NHS Borders staff would recommend their workplace as a good place to work compared to 61% for NHS Scotland as a whole. We will aim to improve our rating to a minimum of 61%, preferably higher at 70%. The same question will be included in future council staff surveys.

OBJECTIVE 6

We will seek to enable people to have more choice and control

Ensuring people have more choice and control means that they have the health and social care support that works best for them.

What we heard you say is important to you:

- Ensure services are flexible to address short- and long-term needs and as close to 24/7 as possible, to enable people to access the services they need when they need them.
- Provide more housing options, giving people more freedom and choice.
- Increase availability of self-referral to access services and ensure consistency across services.
- Encourage more people to self-manage their conditions.

We want to:

- Ensure the principles of choice and control, as exemplified in Self Directed Support legislation, are extended across all health and social care services. This includes the participation and involvement of people in their care and support.

Some examples of how we intend to do this through our current services and strategies:

- Enable people with a physical disability to have choice and control over how they are supported to live independently. (Physical Disability).
- Borders Care & Repair services help disabled homeowners or private sector tenants with adaptations that will enable them to stay in their own home. Borders Care & Repair offer help and assistance and can project manage the entire adaptation process. (Housing).
- Ensure the needs of people with dementia are at the centre of all planning and provision of services specific to them. (Dementia).
- Improve the provision of information and advice to Carers, improve quality of Carer assessments/ support plans and involvement of Carers in care planning. (Carers).
- Improve access, develop effective and integrated services, ensure high quality of delivery of services. (Sensory Impairment, Older People).

OBJECTIVE 6 - continued

These are some of the changes that we have started to make:

- **Self-Directed Support (SDS)** – is now being implemented across health and social care services. SDS is an approach across health and social care services that ensures people have choice over their support and over how it is arranged and paid for.
- **Dementia** – The Scottish Borders Dementia Strategy is being updated to align it with national strategies. One area of focus is Post Diagnostic Support for people who are recently diagnosed. New models of care are being explored. Another area of development is a local Dementia Working Group which, with support from Alzheimer Scotland, will ensure people with dementia have their voices heard and are involved in service development. The group will link to the Scottish Dementia Working Group and will have opportunities to be involved with strategic developments at a national level.

We will measure performance against this objective over the next three years by measures including:

- Amongst adults who received support and care services in the Borders in 2013/14, 83% agreed that they were supported to live as independently as possible (a little lower than the Scottish average of 84%). We want to increase this to 85% (Source: Health and Care Experience Survey 2013/14, Scottish Government).
- We want to increase the number of people who agreed that they had a say in how their support or care was provided, from 80% to 85% (the Scottish average was 83%) (Source: Health and Care Experience Survey 2013/14, Scottish Government).
- We will ensure that everyone eligible for social care support will have choice and control through the Self-Directed Support approach.

OBJECTIVE 7

We will further optimise efficiency and effectiveness

Strategic Commissioning requires us to constantly analyse, plan, deliver and review our services which give us flexibility to change what we do and how we do it.

What we've heard you say is important to you:

- Improve clarity of decision making process and enable decisions to be made more quickly.
- Ensure that we make the most of our staff through training and flexibility and create more opportunities to offer additional support.
- Acknowledge and address changes required for a more flexible and responsive workforce.
- Value and support our volunteers.
- Make better use of our existing resources and assets, including buildings, people, and finance to ensure that they are sufficient and used as effectively and efficiently as possible.

We want to:

- Transform the way we provide and deliver services.
- Efficiently and effectively manage resources to deliver “Best Health, Best Care, Best Value”.
- Support and develop our staff to be confident and reach their full potential.
- Deliver effective support and care through a mixed economy of care, utilising all key partners in the voluntary and private sector.

Some examples of how we intend to do this through our current services and strategies:

- Work to improve the energy efficiency of homes; providing adaptations to enable people to stay at home rather than move someone at higher cost.
- Make efficient use of the funding and other resources available. (Dementia, Older People).
- Deliver a programme of workforce development to ensure that staff have the right skills to support people with more complex care needs.

These are some of the changes that we have started to make:

- **Transitions** – focusing on improving the transition pathway for young people with learning disabilities as they move from children's to adults' specialist services.
- **My Home Life** – offer training to managers to help improve quality of life in care homes.
- **Focus on Outcomes Training** – deliver a new outcome-focused assessment for social care and associated training.

OBJECTIVE 7 - continued

We will measure performance against this objective over the next three years by measures including:

- We will do more to support and empower our staff and achieve a higher proportion of employees who would recommend their workplace as a good place to work. (Currently 56% of NHS Borders staff would recommend their workplace as a good place to work compared to 61% for NHS Scotland as a whole. The same question will be included in future council staff surveys.)
- We would like a higher proportion of our budget to be spent on community-based health and social care and planned hospital care. In the Borders, 20% of all NHS and Social Care expenditure in 2013/14 was in relation to hospital stays, where the patient was admitted as an emergency. This is lower than the Scottish average of 22%. (Source: Integrated Resource Framework, www.isdscotland.org/Health-Topics/Health-and-Social-Community-Care/Publications/index.asp)

OBJECTIVE 8

We will seek to reduce health inequalities

Ensuring that people do not miss out on services due to, for example, a health condition, or lack of easy access to transport.

What we've heard you say is important to you:

- Ensure openness and consistency around access to services.
- Work with communities to address loneliness, deprivation and inequality and empower them to develop their own solutions.
- Work with local transport providers across all sectors to provide appropriate and accessible transport services.
- People with learning disabilities are more likely to have more undiagnosed health conditions, die younger than the general population and need more support to access health care.

We want to:

- Reduce inequality, in particular health inequality and support and protect those who are vulnerable in our communities.

Some examples of how we intend to do this through our current services and strategies:

- Develop a Carers Rights Charter, ensure Carer representation on Health and Social Care Partnership. (Carers).
- Reduce the amount of drug and alcohol use through early intervention and prevention, reduce drug and alcohol related harm to children and young people, improve recovery outcomes for service users and reduce related deaths. (Drugs and Alcohol).
- Improve access, develop effective and integrated services, ensure high quality of delivery of services. (Sensory Impairment).
- Develop a multi-agency training strategy and programme, specialist development sessions and forums, disseminate knowledge, share good practice and enhance practitioner skills. (Adult Support & Protection).
- The four outcomes of the Local Housing Strategy (2012-2017) aim to tackle the inequalities in our society – this includes health inequalities.

OBJECTIVE 8 - continued

These are some of the changes that we have started to make:

- **Transport Hub** – Scottish Borders Council, NHS Borders, The Bridge, Red Cross, Berwickshire Association of Voluntary Services and Royal Voluntary Service are working as partners to put in place a coordinated, sustainable approach to providing community transport.
- **Community Learning Portal** – provide free access to the Community eLearning Portal for staff in partner organisations.
- **Stress & Distress Training** – provide training in a personalised way to understanding and intervening in stress and distressed behaviours in people with dementia. This training aims to improve the experience, care, treatment and outcomes for people with dementia, their families and carers.
- **Deaf Awareness E-learning** – create an e-learning training resource focusing on the needs of older people with hearing loss. Initially the training will be available to Scottish Borders Council and NHS staff, but the intention is to ensure that partner organisations have access to it in the future.
- **Community nurses and social care staff** support people with Learning Disabilities to access mainstream healthcare.
- **Liaison nurses** are based in Borders General Hospital (Learning Disabilities, Mental Health).

We will measure performance against this objective over the next three years by measures including:

- We want to improve and increase the percentage of adults who received support and care services in the Borders who agreed that they felt safe from 81% (lower than the Scottish average of 85%) to 86%. (Source: Health and Care Experience Survey 2013/14, Scottish Government.)
- We would like to maintain the downward trend in the Borders in death rates in people aged under 75.
- We will address the recommendations within “The Keys to Life” (2013) National Strategy for people with learning disabilities, through local action plans for people with learning disabilities, to improve their health.

OBJECTIVE 9

We want to improve support for Carers to keep them healthy and able to continue in their caring role

What we've heard you say is important to you:

- Improve support for Carers to avoid deterioration in their own health and wellbeing and prevent crisis.
- Encourage people to recognise their roles as Carers and ensure Carers are involved in decision making and planning.

We want to:

- Improve support for Carers so they can avoid deterioration in their own health and wellbeing and prevent crisis.
- Encourage people to recognise their roles as Carers and ensure Carers are involved in decision making and planning.
- Improve access to respite care.

Some examples of how we intend to do this through our current services and strategies:

- Ensure the needs of Carers are considered alongside those of the person living with dementia. (Dementia).
- Develop a Carers Rights Charter, improve communication and advice to Carers, improve quality of Carer assessments and support plans, ensure Carer representation on health and social care partnership and produce a resource on issues relating to stress and caring. (Carers).
- Improve identification of Carers at an earlier stage and signpost/refer them for their own assessment.
- All staff will be provided with training around Carers and their needs.
- Carers will be consulted and included in all aspects of their relative's care needs, on planning and delivering the care need, during any hospital stays, on discharge, and in the community.
- Implement requirements set out within the new Carers legislation in 2017.

OBJECTIVE 9 - continued

These are some of the changes that we have started to make:

- **Carers** - We have commissioned the Carers Centre to be the first point of contact for Carers' Assessments. This model has been extremely successful and reduced the length of time for Carers waiting for assessment. However not all Carers are accessing the Centre. Work is underway to consider how we can promote the service and additionally how the Carers Centre can be supported to meet increased demand.

We will measure performance against this objective over the next three years by measures including:

- We want to increase the percentage of Carers reporting that they feel supported to continue caring from 41% (lower than the Scottish average of 44%) to 50%. We will review this target with a view to improving it further if possible.
- We want to support Carers in the Borders so that fewer Carers feel caring has had a negative impact on their health and well-being and reduce this figure from 30% to 20% (Source: Health and Care Experience Survey 2013/14, Scottish Government).

Planning for Change – Key Priorities

Below are the Partnership priorities identified so far for 2016/17. A fund of £2.13m per year has been provided to assist, support and develop the integration of Health and Social Care Services until March 2018.

- To develop integrated accessible transport.
- To integrate services at a local level.
- To roll out care coordination to provide a single point of access to local services.
- To improve communication and accessible information across groups with differing needs.
- Work with communities to develop local solutions.
- Provide additional training and support for staff and for people living with dementia.
- Further develop our understanding of housing needs for people across the Borders.
- To promote healthy living and active ageing.
- To improve the transition process for young people with disabilities moving into adult disability services.
- To improve the quality of life of people with long term conditions by promoting healthy lifestyles, access to leisure services, along with support from the Third Sector.
- To improve support for Carers within our communities.
- Promote support for independence and reablement so that all adults can live as independent lives as possible.

LOCALITY PLANNING

There are five commonly recognised localities in the Borders as the maps in this section show. These are based on the five existing Area Forum localities - Berwickshire, Cheviot, Eildon, Teviot & Liddesdale, and Tweeddale. Summary profiles for each of the five localities show some of the differences between them. As part of the planning process, we will build more detailed locality profiles, including a wider range of measures relevant to health and social care. This will allow us to target need most appropriately.

Map showing our five Area Forum Localities (with all towns and villages with a population of 500 or more).



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We have set up a group to oversee the development of planning in each of the five localities. We expect to appoint locality co-ordinators to act as a focus for planning in each locality.

They will:

- Build relationships with established community groups, partners across the localities, such as other leads working at locality level, for example in Community Learning and Development.
- Map out what is already happening, use and build upon the mapping work already in existence across relevant partnerships - established community groups, many of which are linking up through the Community Learning Partnership approach.
- Identify where existing funding is coming from, where there are gaps and where there are ideas or plans.
- Clearly define what is happening in the short, medium and longer term, how these priorities have been identified and what the consultation process has been/is going to be.
- Co-ordinate action plans, planned expenditure and how these fit with local priorities.

Planning at this level will need to take account of existing local plans such as Community Action Plans or Neighbourhood Plans as well as cross-Borders strategies, such as the reducing inequalities strategy and health inequalities action plan. It will also need to address cross-border issues (between Borders localities, and between Borders and neighbouring areas of Scotland and England). Some priorities are the same across localities but others are different. Locality plans will also need to take account of projects starting at the moment. For example, we are beginning to develop care coordination, which will be undertaken by care coordinators which will be rolled out across the localities in a phased way. This will help us provide more person centred care. Another current project is to provide a means for Borders Community Transport providers to work together to make best use of available transport and reduce duplication of journeys. Some other projects are specific to a locality such as “the Eildon Community Ward”.

Service users, Carers, families, communities and professionals – particularly GPs – must be actively involved in locality planning, so that they can influence how resources are spent in their area – genuine co-production. Co-production is where people using services, their families and their neighbours work as equals with professionals to plan and deliver services. We are rolling out a “Borders Community Capacity Building Project” which will provide communities with support and ability to do this. We want communities to use the collective resources (assets) which they have at their disposal, to protect against poor health and improve health.

Assets are the strengths that people and communities have such as relationships, networks, enthusiasm, social cohesion and resilience as well as plans, land, buildings and funding. The people of the Scottish Borders are perhaps our single biggest asset. The networks and relationships that exist within and across communities are invaluable in themselves and they are health-improving. They provide a solid foundation for any work to improve health and wellbeing alongside the strong volunteer ethic and a natural commitment to supporting others. There is growing evidence of the combination of local people, community

groups, partners and physical assets in action across localities, such as the Borders Healthy Living Network, Langlee Residents Association, Burnfoot Community Futures, Eyemouth Community Development Trust and the relationships and activities these community based groups/organisations have been developing with agencies and local people.

In addition to people, other assets within the Scottish Borders include land and buildings. The Scottish Borders is a stunning place to live and this applies to all localities, with some of the most breath-taking views, areas of green space and outdoor walks available right on our doorstep. The Scottish Borders is steeped in history and this could be brought to life through social projects that involve communities and people who have experience of the changes influencing health and wellbeing in the Borders. We know that older people are living longer, healthier lives and they have a wealth of knowledge, skills and experience to share with others. We should make every effort to capitalise on this and positively influence the next generation of children and young people by connecting up these assets.

The Scottish Borders is made up of 'can do' communities and this is very much seen through their actions to support others on a day to day basis, as well as in times of crisis. If these assets are nurtured and harnessed in everyday life, this culture of support could be further enhanced. This has been referred to as an assets approach, which at its simplest turns what we know on its head and questions what we think in a positive way, for example, instead of asking about what is not going well, we ask about what is going right and do more of this. This is very much the current thinking influencing some local groups and networks. This can also be applied in practice through training and development to ensure that people are viewed in this way and seen for their strengths and the contribution they have to make. An assets approach therefore presents a significant shift in the way we engage with people and communities, from a deficit model that emphasises need and problems to an asset model that values active participation and sees people and communities as co-producers of long term sustainable solutions. Focusing particularly on health, the fundamental shift from what makes us ill to what makes us well and doing more of this is at the heart of an asset approach.

Where appropriate, we will devolve resources towards the delivery of particular local outcomes. For example, we will strengthen the work of the healthy living network in areas of disadvantage to improve the health and well-being of those communities. We will prioritise engagement with vulnerable groups, isolated residents and people who are not already accessing existing groups and local services. We will make the best use we can of community capacity and capability to do this.

Some illustrative Facts and Statistics about our Area Forum Localities



Tweeddale

- Estimated population in 2013: 19,192.
- 41% of live in its largest settlement, Peebles (population 7,908), whilst 59% live in smaller settlements or rural areas.
- The locality with the highest proportion of its population aged under 16 (18.7%). 60.1% of the population are aged 16-64 and a further 21.2% are aged 65+.
- In 2014/15 there were 16.6 attendances at Borders General Hospital A&E for every 100 population.
- In 2011-2013 the emergency hospital admission rate was 80 per 1,000 population.

Eildon

- Estimated population in 2013: 38,798. Our largest locality in population terms (over one third of Scottish Borders residents live here).
- Nearly one third of residents live in Galashiels (estimated population 12,394) and another 14% in Selkirk (estimated population 5,608).
- The locality with the highest proportion of its population aged 16-64 (62.3%) and the lowest proportion aged 65+ (20.5%). A further 17.2% of the population are aged under 16.
- In 2014/15 there were 27.3 attendances at Borders General Hospital A&E for every 100 population – this is the highest rate across our localities.
- In 2011-2013 the emergency hospital admission rate was 93 per 1,000 population; this is the highest rate across our localities.



Berwickshire

- Estimated population in 2013: 20,862.
- No large towns; most people live in small settlements or rural areas. Eyemouth (population 3,152) and Duns (population 2,444) are the largest settlements here.
- 15.8% of the population are aged under 16, 60.0% are aged 16-64, 24.2% are aged 65+.
- In 2014/15 there were 15.8 attendances at Borders General Hospital A&E for every 100 population – this is the lowest rate across our localities.
- In 2011-2013 the emergency hospital admission rate was 79 per 1,000 population.

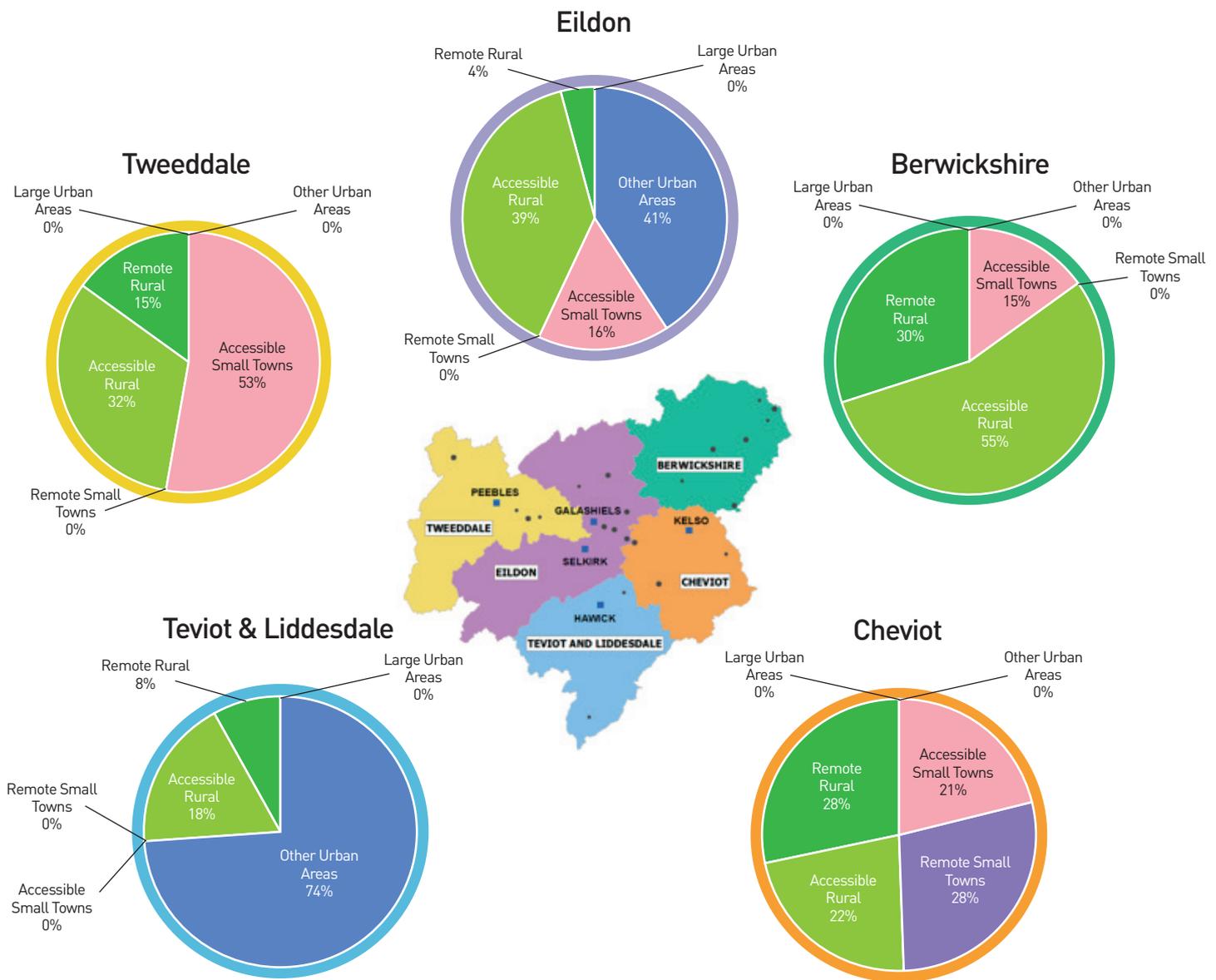
Cheviot

- Estimated population in 2013: 16,407. Our smallest locality in population terms.
- More than 60% of residents live in Kelso and Jedburgh, which have estimated populations of 6,139 and 3,959, respectively.
- The locality with the highest proportion of its population aged 65+ (25.6%). It also has the lowest proportions of children aged under 16 (15.6%) and people aged 16-64 (58.8%).
- In 2014/15 there were 19.7 attendances at Borders General Hospital A&E for every 100 population.
- In 2011-2013 the emergency hospital admission rate was 75 per 1,000 population; this is the lowest rate across our localities.

Teviot & Liddesdale

- Estimated population in 2013: 18,611.
- Nearly three-quarters of the population live in the town of Hawick (estimated population 13,696).
- 15.7% of the population are aged under 16, 60.6% are aged 16-64, 23.7% are aged 65+.
- In 2014/15 there were 23.4 attendances at Borders General Hospital A&E for every 100 population.
- In 2011-2013 the emergency hospital admission rate was 87 per 1,000 population.

OUR AREA FORUM LOCALITIES AND THEIR URBAN/RURAL POPULATION PROFILES



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Category	Description
1 Large Urban Areas	Settlements of 125,000 or more people.
2 Other Urban Areas	Settlements of 10,000 to 124,999 people.
3 Accessible Small Towns	Settlements of 3,000 to 9,999 people and within 30 minutes drive of a settlement of 10,000 or more.
4 Remote Small Towns	Settlements of 3,000 to 9,999 people and with a drive time of over 30 minutes to a settlement of 10,000 or more.
5 Accessible Rural	Areas with a population of less than 3,000 people, and within a 30 minute drive time of a settlement of 10,000 or more.
6 Remote Rural	Areas with a population of less than 3,000 people, and with a drive time of over 30 minutes to a settlement of 10,000 or more.

Source: Scottish Government Urban/Rural Classification 2013/14 and National Records of Scotland.
www.gov.scot/Publication/2014/11/2763/downloads

WHAT WILL SUCCESS LOOK LIKE

Services are integrated and there is less duplication

There is easier access to services through a single point of contact

People with multiple long term conditions are supported

Carers will feel better supported and have improved health and well-being

Make best use of staff

People participate in planning their own care and support

The benefits of new technology improve people's health and well-being

There is a shift to early intervention and prevention for children and young people, families and carers

There will be a reduction in health inequalities

Spend money wisely



PLANNING FOR INTEGRATED SERVICES

The two case studies here illustrate how ordinary people should experience a better integrated health and social care service.

PAMELA
AGE 57

I'm Pamela and I've lived in Innerleithen most of my life. I live with my husband Owen and our daughter Jane. My 83 year old Father lives in sheltered housing nearby and our eldest daughter Jillian lives 7 miles away in Peebles. I have a lot of friends who live in the area.



MY SITUATION	MY THOUGHTS	INTEGRATION FOR ME
I look after my 3 year old grandson, Jack, 3 times a week. I visit my elderly father every day and I am the first responder to his Bordercare alarm. I recently had a Carer Assessment carried out.	I recently realised how much I've been looking after my Father. I love my Father and I want to care for him, but sometimes, I resent being his first responder and I feel I sacrifice things that are important to me to look after him. I feel guilty for thinking these things. Sometimes I don't understand what's happening with his care. I worry a lot about him.	<ul style="list-style-type: none"> • Clear information on available support and services. • Health and care co-ordinated services. • A single number to access services. • More support for me as a Carer.
I live in a modern, rented house. My husband Owen and I don't drive so we rely on public transport.	I love where I live and I like that I can walk to shops and the bus stop. But I find organising transport to get my Father to appointments can be really difficult.	<ul style="list-style-type: none"> • A single number to book transport. • Easier access to more coordinated services.
Owen recently retired for health reasons. My Father has dementia and is prone to falling. Jane is taking her higher exams. I love looking after Jack and seeing Jillian. Her partner Bill is nice too.	Owen is eight years older than me. He struggles with depression and I feel I need to be with him, which can result in me not being able to spend enough time with my Father or Jane. My Father falls occasionally. He has been recommended to attend gentle exercise classes but he says no.	<ul style="list-style-type: none"> • More opportunities to meet other people in the local community. • Supporting local communities to connect people and interests.

PAMELA

AGE 57

Continued ...



MY SITUATION	MY THOUGHTS	INTEGRATION FOR ME
I work part-time in a shop in nearby Galashiels.	I've considered reducing my hours to spend more time with my Father and my family, but I can't for financial reasons. I often have calls to make or receive about my Father when I'm at work which is challenging as I've limited flexibility. I sometimes have to take leave to take him to appointments.	<ul style="list-style-type: none"> • More options to enable me to take my father to appointments. • Longer opening hours for services.
I've high blood pressure, arthritis and anxiety. I'm a cancer survivor. I take many prescription drugs. I've been a heavy smoker for years.	I don't take the best care of myself because by the time I've looked after my Father, grandson, Owen, daughter, been to work and volunteered at Church I'm often too tired. I tend not to tell Owen about my worries because of his depression. Smoking helps me feel more relaxed, but I've noticed I smoke more now. I'm quite anxious so I was grateful that the Carer's Assessment lady listened to me.	<ul style="list-style-type: none"> • Locally available acute health and care services. • Forward (Anticipatory) care planning for my Father, Owen and me. • A named person that I can speak to.
Owen and I have many friends here. I enjoy volunteering at my local church.	We have a good community with neighbours and friends helping out. I've school friends and friends at Church, so every once in a while, if things are ok, I meet them for lunch. My Father is isolated and he would really like visits from people as he has trouble going out.	<ul style="list-style-type: none"> • Supporting local communities to connect people and interests.

CHARLIE

AGE 78

I'm Charlie. I've lived in Kelso since I retired here 15 years ago with my wife, Sandra, who died 5 years ago. I've been alone since. My two children live far away. They come for visits, but they have busy lives and their own families. I love Kelso, I feel safe and happy here, apart from being so far from my family.



MY SITUATION	MY THOUGHTS	INTEGRATION FOR ME
<p>I am a widower. I don't need health and care services at the moment.</p>	<p>I feel capable, but having recently had a fall, I had a bit of a fright and I was admitted to hospital for a short while. It was sad as I had no visitors which made me start to think about what would happen to me when I do need more help. I don't want to be a burden to my children. I always thought I would grow old with Sandra. There are home carers who can help me, but I would prefer to have someone I could rely on, not a lot of different people.</p>	<ul style="list-style-type: none"> • I can choose the staff I want to support me at home. I will get support if I want to employ my own staff. • A single number to access services.
<p>I live in a 3 bedroom house with a large garden, on the outskirts of the town. I drive, but I'm less confident now so I don't like driving.</p>	<p>I know my house is too big and I cannot manage the garden alone, but I don't want to move and start over with a new house and neighbours. I'm a 10 minute walk to the bus stop and buses are regular but if I need to go to the Hospital, I have to change buses. I feel I need to drive more and more.</p>	<ul style="list-style-type: none"> • Better co-ordinated local transport • Bigger range of locally based housing options
<p>My son Paul lives in England. My daughter Steph and her family moved to Florida 3 years ago.</p>	<p>Paul visits every couple of months. I can see he's worrying about me and I know Steph feels guilty for being so far away. I want to be able to reassure them I have a plan for any future needs and that I can support myself. Paul wants me to move near him but I don't deal with change very well.</p>	<ul style="list-style-type: none"> • Forward (Anticipatory) Care Planning. • I am in control of planning for the future.

CHARLIE

AGE 78

Continued ...



MY SITUATION	MY THOUGHTS	INTEGRATION FOR ME
I'm retired. I had to step back from my voluntary work at my bowls club which I enjoyed.	I liked being Treasurer of my local bowls club. My friend introduced me to bowls and she takes me when she can, but she can't make it every week. I had to give up being Treasurer as it became too much. I don't feel as fulfilled as I did. I would love to do more voluntary work.	<ul style="list-style-type: none"> • Appropriate volunteering opportunities for older people
I'm slowing down and finding things harder. I've many medications, I'm not sure what they are and why I take them.	I like to keep active and I do drive when I need to, usually to appointments and shops. It was scary when I fell, but I don't think I needed to go to the emergency department, but I couldn't be checked locally. I felt very overwhelmed by the number of people asking me the same questions – surely the staff can look it up on my medical notes?	<ul style="list-style-type: none"> • Locally based services • Better information sharing across organisations
When Sandra was alive we did lots of things together, but it's not the same without her.	I feel lonely without my wife and not as confident to socialise with people. My neighbours are lovely, but I don't see them as often as I used to. I wish there were more activities and groups for older people like me.	<ul style="list-style-type: none"> • Community based groups and activities

PLANNING INTO THE FUTURE

The Strategic Plan will only be the beginning. It will be a living working document which will change and grow throughout its life. It will build on feedback from people living in the Borders. It will be reviewed at least every three years, based on on-going assessment of need. In the future, we will focus particularly on how to meet the needs of people who use services in local communities.

Throughout the last 12 months we held a number of engagement events for both the public and staff. The information we received from these events has been used to inform this document. For example, the 9th local objective on support for unpaid carers was added as a direct result of your feedback. Thank you to all who gave us feedback in person or in writing throughout the process of developing this Plan. We have been able to act on some of your comments at this stage whilst others will be retained to help us in our ongoing planning and engagement work.

APPENDIX A

SERVICES THAT ARE INTEGRATING

Which health and social care services are we integrating?

Our partnership will be responsible for planning and commissioning integrated services and overseeing their delivery. These services are all adult social care, primary and community health care services and elements of hospital care which will offer the best opportunities for service redesign. The Partnership has a key relationship with acute services in relation to unplanned hospital admissions and will continue to work in partnership with Community Planning Partners. This includes charities, voluntary and community groups so that, as well as delivering flexible, locally based services, we can also work in partnership with our communities.

ADULT SOCIAL CARE SERVICES*

- Social Work Services for adults and older people;
- Services and support for adults with physical disabilities and learning disabilities;
- Mental Health Services;
- Drug and Alcohol Services;
- Adult protection and domestic abuse;
- Carers support services;
- Community Care Assessment Teams;
- Care Home Services;
- Adult Placement Services;
- Health Improvement Services;
- Re-ablement Services, equipment and telecare;
- Aspects of housing support including aids and adaptations;
- Day Services;
- Local Area Co-ordination;
- Respite Provision;
- Occupational therapy services.

ACUTE HEALTH SERVICES

(PROVIDED IN A HOSPITAL)*

- Accident and Emergency;
- Inpatient hospital services in these specialties:
 - General Medicine;
 - Geriatric Medicine;
 - Rehabilitation Medicine;
 - Respiratory Medicine;
 - Psychiatry of Learning Disability;
- Palliative Care Services provided in a hospital;
- Inpatient hospital services provided by GPs;
- Services provided in a hospital in relation to an addiction or dependence on any substance;
- Mental health services provided in a hospital, except secure forensic mental health services.

COMMUNITY HEALTH SERVICES*

- District Nursing;
- Primary Medical Services (GP practices)*;
- Out of Hours Primary Medical Services*;
- Public Dental Services*;
- General Dental Services*;
- Ophthalmic Services*;
- Community Pharmacy Services*;
- Community Geriatric Services;
- Community Learning Disability Services;
- Mental Health Services;
- Continence Services;
- Kidney Dialysis outwith the hospital;
- Services provided by health professionals that aim to promote public health;
- Community Addiction Services;
- Community Palliative Care;
- Allied Health Professional Services

*Adult Social Care Services for adults aged 18 and over.

*Acute Health Services for all ages – adults and children.

Community Health Services for adults aged 18 and over, excepting those marked with an asterisk (), which also include services for children.

APPENDIX B

THE NATIONAL HEALTH AND WELLBEING OUTCOMES

The National Health and Wellbeing Outcomes are high-level statements of what health and social care partners are attempting to achieve through integration and ultimately through improving quality across health and social care.

By working with individuals and local communities, Integration Authorities will support people to achieve the following outcomes:

Nine National Outcomes	
Outcome 1	People are able to look after and improve their own health and wellbeing and live in good health for longer.
Outcome 2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
Outcome 3	People who use health and social care services have positive experiences of those services, and have their dignity respected.
Outcome 4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
Outcome 5	Health and social care services contribute to reducing health inequalities.
Outcome 6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.
Outcome 7	People using health and social care services are safe from harm.
Outcome 8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
Outcome 9	Resources are used effectively and efficiently in the provision of health and social care services.

Source: Scottish Government

APPENDIX C

OUR LOCAL OBJECTIVES AND THE NATIONAL OUTCOMES CROSS-REFERENCED

Our Local Objectives are:

1. We will make services more accessible and develop our communities.
2. We will improve prevention and early intervention.
3. We will reduce avoidable admissions to hospital.
4. We will provide care close to home.
5. We will deliver services within an integrated care model.
6. We will seek to enable people to have more choice and control.
7. We will further optimise efficiency and effectiveness.
8. We will seek to reduce health inequalities.
9. We want to improve support for Carers to keep them healthy and able to continue in their caring role.

The National Outcomes cross-referenced with Our Local Objectives

National Outcomes	1	2	3	4	5	6	7	8	9
Local objective 1	★	★	★	★		★		★	
Local objective 2	★	★		★	★			★	
Local objective 3	★	★							★
Local objective 4	★	★	★	★	★	★			★
Local objective 5				★				★	★
Local objective 6	★	★	★	★	★	★	★		
Local objective 7								★	★
Local objective 8	★	★	★		★	★	★		
Local objective 9	★	★	★	★	★	★	★		

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