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A meeting of the
Scottish Borders Health & Social Care Integration Joint Board Audit Committee
will be held on **Monday, 14th June, 2021** at **2.00 pm** via Microsoft Teams

AGENDA

Time	No		Lead	Paper
2.00	1	ANNOUNCEMENTS & APOLOGIES	Chair	Verbal
	2	DECLARATIONS OF INTEREST <i>Members should declare any financial and non financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest</i>	Chair	Verbal
	3	MINUTES OF PREVIOUS MEETING 08.03.2021	Chair	Attached
	4	MATTERS ARISING Action Tracker	Chair	Attached
	5	FOR DECISION		
	5.1	Scottish Borders Health and Social Care Integration Joint Board Audit Committee Annual Report 2020/21	Chair	Appendix-2021-AC5
	5.2	Scottish Borders Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2020/21	Chief Internal Auditor	Appendix-2021-AC6
	5.3	Annual Governance Statement 2020/21 of the Scottish Borders Health and Social Care Integration Joint Board	Chief Officer	Appendix-2021-AC7
	5.4	Scottish Borders Integration Joint Board Annual Accounts 2020/21 (Unaudited)	Chief Financial Officer	Appendix-2021-AC8
	6	FOR NOTING		
	6.1	Work Programme 2021/22 for the Auditor General for Scotland and the Accounts Commission	Chair Chief Officer	Appendix-2021-AC9

7	ANY OTHER BUSINESS	Chair	Verbal
8	DATE AND TIME OF NEXT MEETING Monday 13 September 2021 2.00pm to 4pm Microsoft Teams	Chair	Verbal

Membership of Committee:-

Mrs K Hamilton (Chair), Councillor J Greenwell, Councillor T Weatherston, Mrs L O'Leary and Mr J Wilson

Iris Bishop, Board Secretary, Health & Social Care Integration Joint Board/Borders NHS
Board Tel: 01896 825525
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Minute of the meeting of **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** held on 8 March 2021 at 2.00pm via Microsoft Teams.

Present: Mrs K Hamilton, Chair NHS Borders (Chair)
Ms S Lam, Non Executive, NHS Borders
Cllr J Greenwell, Elected Representative, Scottish Borders Council
Cllr T Weatherston, Elected Representative, Scottish Borders Council
Mr J Wilson, Lay Member

In attendance: Mr R McCulloch-Graham, Chief Officer Health & Social Care
Mrs J Stacey, Chief Internal Auditor
Mr A Haseeb, Audit Scotland
Mr G Samson, Audit Scotland
Miss I Bishop, Board Secretary
Mrs L O'Leary, Non Executive NHS Borders
Mrs S Holmes, Internal Auditor, SBC

1. Apologies and Announcements

Apologies had been received from Mrs Gillian Woolman, Audit Scotland.

The Chair welcomed Mrs Lucy O'Leary, Non Executive NHS Borders who would replace Ms Sonya Lam as a member of the Committee.

The Chair thanked Ms Lam for her membership of the Committee.

The Chair welcomed Ally McGilvray, Radio Borders to the meeting.

The Chair confirmed the meeting was quorate.

2. Declarations of Interest

The Chair sought any verbal declarations of interest pertaining to items on the Agenda.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted there were none.

3. Minute of Previous Meeting

The minutes of the previous meeting of the Integration Joint Board Audit Committee held on 7 December 2020 were approved.

4. Matters Arising

- 4.1 Minute 5: Progress Update on delivery of Internal Audit Annual Plan 2020/21:** Mrs Jill Stacey provided clarity in relation to progress on the update of the internal audit plan which had been impacted by change in the delivery of the strategic plan for the Integration Joint Board (IJB). She confirmed that, that piece of internal audit work referred to in the minutes had been designed to be aligned with the planned review of the strategic plan. The IJB had agreed to defer the review until 2022. She stressed that it was important for the Committee to note that the item had been contained within the 2020/21 Internal Audit Plan but would be deferred to the 2021/22 Internal Audit Plan.
- 4.2 Action 10:** Mr Rob McCulloch-Graham commented that the lessons learnt around delayed discharges would be reviewed by Grant Thornton and presented to the NHS Borders Audit Committee. Those papers would then be shared with the IJB Audit Committee (14 June 2021).

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted the action tracker.

5. NHS in Scotland 2020 (Auditor General / Audit Scotland)

Mr Asif Haseeb provided an overview of the report prepared by the Auditor General on the state of the NHS. He advised that the report was a summary of the individual NHS Board audits that had been undertaken. The report highlighted the impact of the pandemic in 2020 which had forced change in many areas and services. He clarified that the recommendations within the report were mainly for the Scottish Government or the Scottish Government and Health Boards jointly.

Mr Graeme Samson spoke to the key messages in the summary section and advised that the report mainly focused on; the pandemic; the challenges the pandemic presented; the NHS response to the pandemic; demands on services; test and protect; and the impact on local communities.

The Chair commented that in terms of an integrated workforce, by its nature the document was health based whereas it would be more meaningful if it included local authority data. She further wished to assure the Committee that NHS Borders had refreshed its pandemic plan in light of the COVID-19 Pandemic, as the previous pandemic plan had been based on a flu pandemic.

Cllr Tom Weatherston commented that across Europe, people in deprived areas appeared to be more impacted by the COVID-19 pandemic than in other areas, and he enquired if people were generally unhealthier in those areas. He further enquired about the impact of the withdrawal of free Personal Protective Equipment (PPE) across Health and Social Care from June 2021.

Mr Rob McCulloch-Graham commented that the pandemic had exacerbated inequalities, which was most evident in deprived communities where people were living in close proximity to each other, shared often overcrowded public transport and were more likely to be low paid workers. He advised that whilst protection controls were in place they were difficult to enforce and there were some outbreaks in areas of deprivation in the Borders.

In regard to PPE he commented that he did not know what the solution would be as it was highly likely that there would be a continued need for PPE into 2022 and possibly beyond.

Chief Officers of IJBs across Scotland were keen to understand the next stage in regard to PPE provision and he would feedback to the Committee once that position was clarified.

Ms Sonya Lam suggested the recommendation that the Scottish Government and Health Boards monitor and report on staff wellbeing (page 22, point 23), should include social care staff so that learning could be shared across the systems. The Chair welcomed the suggestion.

Mrs Jill Stacey reminded the Committee that the Internal Audit recommendations for 2019/20 had highlighted the need for a refresh of the workforce strategy in order to align it with Scottish Government reporting on integrated workforce planning. The Strategic Planning Group had also requested that the Joint Staff Forum refresh its Terms of Reference and she suggested an update on workforce be provided as part of the annual reporting cycle.

The Chair welcomed the opportunity of bringing all the strands of workforce together across the organisations and the suggestion of an update to a future meeting.

Mr McCulloch Graham commented that the pandemic had been instrumental in forcing the integration of the workforce over the previous 12 months. He was keen to further merge the senior governance of the IJB, Scottish Borders Council (SBC) and NHS Borders given the explicit focus of the IJB on commissioning and strategy. There may also be further integration if all or some of the recommendations within the Derek Feeley report were accepted by the Scottish Government.

Mr Jim Wilson enquired about the current situation with vacancy rates and the use of agency staff. Mr McCulloch-Graham advised that during the pandemic staff had been redeployed into different professions both within NHS Borders and SBC, as the organisations were now remobilising their services staff were being moved back to their substantive roles and the use of agency staff had begun to increase.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** considered whether there were any actions arising from the national report for SB IJB that needed to be referred by the IJB Audit Committee to the IJB Board.

6. Audit Scotland – Covid-19: What it means for public audit in Scotland (Audit Scotland)

Mr Asif Haseeb provided an overview of the content of the report and highlighted: that the financial audit had been completed; the 2020/21 financial year had been a transitional year; and the national study programme had been refreshed.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** acknowledged that it was the national picture not simply for SB IJB, and that adjustments in the process and timescales for the IJB Audit Committee to receive audited accounts and external audit reports might be affected.

7. SB IJB External Audit Annual Plan 2020/21 (Audit Scotland)

Mr Asif Haseeb provided an overview of the content of the report and highlighted that the year 2020/21 was year 5 of Audit Scotland's audit appointment. Normally it would have been the last year of appointment, however due to the COVID-19 Pandemic the Auditor

General and the Accounts Commission had taken the view to extend the appointment by a further 1 year. Mr Haseeb highlighted several elements within the report including the key risks and assurances.

The Chair sought an update on the appointment of a Chief Financial Officer for the IJB. Mr Rob McCulloch-Graham commented that the new management structure had been agreed and a number of new posts were being recruited to. The Chief Financial Officer post was being evaluated with a view to a formal appointment being made within a few months.

The Chair commented that there had been excellent joint working between Mr David Robertson and Mr Andrew Bone to cover the financial management of the 2 organisations whilst the Chief Financial Officer position for the IJB remained vacant.

Further discussion focused on: Exhibit 3 and the definition of a definite error; impact of COVID-19 on the timings of statutory accounts and annual audit reports.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** approved the external audit plan

8. Scottish Borders Health and Social Care Integration Joint Board Internal Audit Annual Plan 2021/22

Mrs Jill Stacey provided an overview of the content of the internal audit plan.

Mr Jim Wilson enquired how the knowledge was gleaned on what had been achieved for people. Mrs Stacey advised that the performance management arrangements were fundamental in providing that feedback and assurance.

Mr Rob McCulloch-Graham commented that feedback had mainly been gleaned through the patient and carer satisfaction surveys which were fed into the performance reports. However, a new methodology would be tested out over the following 4-6 weeks through live conversations with localities. Advertising would take place through the local media and social media and the Leadership Team would be available to take questions from the public and respond live through MS Teams. Questions would also be sought in advance but there would also be an opportunity for supplementary questions to be asked and answered at the live event.

Ms Sonya Lam enquired if there was any shared learning from other IJBs internal audit functions. Mrs Stacey commented that across Scotland there were similar internal audits for IJBs. The internal auditors met on a regular basis to share practice and every 2 years that group held a conference and had shared insight around practice and any toolkits that had been produced and were being used.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** approved the proposed Internal Audit Annual Plan 2021/22 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1).

9. Any Other Business

The Chair confirmed that none had been notified.

10. Date and Time of Next Meeting

The Chair confirmed that the next meeting of the IJB Audit Committee would be held on Monday 14 June 2021 at 2.00pm via Microsoft Teams.

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Scottish Borders Health & Social Care Integration Joint Board Audit Committee



Action Tracker

Meeting Date: 7 December 2020

Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status
10	4	The SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE agreed that Mr Rob McCulloch-Graham share the papers with the IJB Audit Committee to enable their understanding of the impact on services both nationally and locally.	Rob McCulloch-Graham	March 2021	Mr Rob McCulloch-Graham commented that the lessons learnt around delayed discharges would be reviewed by Grant Thornton and presented to the NHS Borders Audit Committee. Those papers would then be shared with the IJB Audit Committee.	

Key:	
	Overdue / timescale TBA
	<2 weeks to timescale
	>2 weeks to timescale
Blue	Complete – Items removed from action tracker once noted as complete at each H&SC IJB Audit Committee meeting

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*Scottish Borders Health & Social Care
Integration Joint Board Audit Committee*



Meeting Date: 14 June 2021

Report By:	Karen Hamilton, Chair of SBIJB Audit Committee
Contact:	Jill Stacey, SBIJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)
Telephone:	01835 825036
SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE ANNUAL REPORT 2020/21	
Purpose of Report:	To provide Members with the IJB Audit Committee Annual Report 2020/21 which incorporates its annual self-assessment using the CIPFA Audit Committees Guidance.
Recommendations:	The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to: a) Approve the IJB Audit Committee Annual Report 2020/21 (Appendix 1) which incorporates its self-assessments (Appendices 2 and 3) using the CIPFA Audit Committees Guidance; and b) Agree that the IJB Audit Committee Annual Report 2020/21 (Appendix 1) should be presented to the IJB.
Personnel:	This report relates to Members of the IJB Audit Committee.
Carers:	There is no direct impact on carers arising from the contents of this report.
Equalities:	There are no direct equalities and diversities implications arising from the contents of this report.
Financial:	There are no direct financial implications arising from the contents of this report.
Legal:	<p>The Scottish Borders Health and Social Care Integration Joint Board, established as a separate legal entity as required by the Public Bodies (Joint Working) (Scotland) Act 2014, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Scottish Borders partnership area, based on resources which have been delegated to it by the partners, Scottish Borders Council and NHS Borders.</p> <p>The SBIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The IJB Audit Committee fulfilling its terms of reference is one of the key components of good governance and is critical to the capacity of the SBIJB to function effectively.</p>

Risk Implications:	There is a risk that the IJB Audit Committee does not fully comply with best practice guidance thus limiting its effectiveness as a scrutiny body as a foundation for sound corporate governance. The completion of the annual self-assessment and identification and implementation of improvement actions as evidenced through this Annual Report will mitigate this risk.
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Background

- 1.1 It is important that the IJB's Audit Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance for the Scottish Borders Health and Social Care Integration Joint Board.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated guidance note Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (hereinafter referred to as CIPFA Audit Committees Guidance) which is deemed appropriate for the IJB under the legislative framework for integration authorities. It incorporates CIPFA's view of the role and functions of an Audit Committee. The CIPFA Audit Committees Guidance includes the production of an annual report on the performance of the Audit Committee against its remit for submission to the IJB.

2 Summary

- 2.1 The IJB Audit Committee carried out self-assessments of Compliance with the Good Practice Principles Checklist and Evaluation of Effectiveness Toolkit from the CIPFA Audit Committees Guidance during an Informal Session held on 8 March 2021 facilitated by the IJB's Chief Internal Auditor. The IJB Audit Committee Annual Report 2020/21 is appended to this report as Appendix 1 for consideration to adopt this best practice. The self-assessments are appended to this report as Appendix 2 (Good Practice Principles) and Appendix 3 (Effectiveness) for consideration.
- 2.2 The outcome of the self-assessments was a high degree of performance against the good practice principles and a medium degree of effectiveness. Further areas of improvement have been identified by the Committee.
- 2.3 The IJB Audit Committee Annual Report 2020/21 is designed both to provide assurance to the IJB's full Board on the effectiveness of the Committee in meeting its purpose and to provide some actions for the Committee to improve its effectiveness.

**SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD
AUDIT COMMITTEE
ANNUAL REPORT FROM THE CHAIRMAN – 2020/21**

This annual report has been prepared to inform the Scottish Borders Health and Social Care Integration Joint Board of the work carried out by its Audit Committee during the financial year. The content and presentation of this report meets the requirements of the CIPFA 'Audit Committees' Guidance to report to the full Board on a regular basis on the Committee's performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose.

Meetings

The IJB Audit Committee has met 5 times on a virtual basis during the financial year on 8 June, 31 August, 21 October (extraordinary meeting) and 7 December 2020, and 8 March 2021 to consider reports pertinent to the audit cycle.

The remit of the IJB Audit Committee is to have high-level oversight of the IJB's framework of internal financial control, corporate governance, risk management systems and associated internal control environment.

To fulfil this remit, it sought assurance through material it received from Internal Audit, External Audit, other external scrutiny and audit bodies, and from Management, and it placed reliance on the Partners' governance arrangements and assurance frameworks.

The Committee scrutinised the IJB's unaudited Annual Accounts 2019/20 in August 2020 and the audited Annual Accounts 2019/20 in October 2020, prior to their presentation for approval by the IJB, and in doing so promoted effective public reporting to the integration authority's stakeholders and local community. The Committee also reviewed the Annual Governance Statement therein to assess whether it properly reflects the risk environment and whether the content is consistent with its own evaluation of the governance arrangements, based on evidence received during the year.

The Committee approved the Plans for work delivered by Internal Audit (provided by SBC's Internal Audit team) and External Audit (provided by Audit Scotland). It considered reports by Internal Audit and External Audit on their findings, conclusions and recommendations arising from their work, monitored the implementation of recommendations arising from Internal Audit and External Audit work, and considered assurance from relevant Internal Audit reports by Partners' Internal Auditors presented to their respective Audit Committees.

The Committee considered relevant national reports that give rise to introducing best practice arrangements or lessons learned.

The Minutes of IJB Audit Committee meetings were presented for noting by the IJB following their approval by the Committee, and the Committee referred any exceptional items to the IJB in accordance with its Terms of Reference.

Membership

The IJB appoints members to its Audit Committee, which consists of "at least four voting members of the IJB, excluding professional advisors, and one independent member appointed from an external source" as set out within its Terms of Reference. The membership, which is based on legislative requirements, does not adhere to the independence principles of good practice within CIPFA 'Audit Committees' Guidance for audit committees to be independent from the decision-making body for effective scrutiny. The independence of the IJB Audit Committee's role in the scrutiny process is partly addressed through the appointment of an Independent Member, who was appointed from the community for a fixed period to 31 October 2021, following an external recruitment and selection process.

The Committee membership during the year was Mrs K Hamilton (Chair), Mrs S Lam, Councillor J Greenwell, Councillor T Weatherston, and Mr J Wilson (Independent Member).

The attendance by each member at the Committee meetings throughout the year was as follows:

Member	8 June 2020	31 August 2020	21 October 2020	7 December 2020	8 March 2021
Mrs K Hamilton (Chair)	√	√	√	√	√
Mrs S Lam	√	√		√	√
Cllr J Greenwell	√	√	√	√	√
Cllr T Weatherston	√	√	√	√	√
Mr J Wilson (Independent Member)	√	√	√	√	√

Every meeting of the IJB Audit Committee in 2020/21 was quorate (i.e. at least three Members present).

All other individuals who attended the meetings are recognised as being “in attendance” only. The Chief Officer, those individuals fulfilling the Chief Financial Officer role, the Chief Internal Auditor, external auditors, and the Secretary (provided by NHS Borders) attend all Committee meetings to support the Committee.

Skills and Knowledge

Given the wider corporate governance remit of IJB Audit Committees and the topics covered by the external and internal audit functions, it is noteworthy that there is a range of skills, knowledge and experience that IJB Audit Committee members bring to the committee, not limited to financial and business management. This enhances the quality of scrutiny and discussion of reports at the meetings. No individual committee member would be expected to be expert in all areas.

Self-Assessment of the Committee

The annual self-assessment was carried out by members of the IJB Audit Committee on 8 March 2021 during an Informal Session facilitated by the IJB Chief Internal Auditor using the ‘Good Practice Principles Checklist’ and ‘Evaluation of Effectiveness Toolkit’ from the CIPFA ‘Audit Committees’ Guidance. This was useful for Members to ensure the Committee can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance for the IJB.

The outcome of the self-assessments for the Committee was a high degree of performance against the good practice principles and a medium degree of effectiveness. The following improvements have been identified:

- Utilise the Knowledge and Skills Framework to inform future learning and development needs of IJB Audit Committee members.
- Set up Informal Sessions prior to each Committee meeting as an opportunity for Members to discuss matters privately with Internal and/or External Auditors or to engage with officers to clarify matters or to engage in IJB Audit Committee learning and development.
- Consider arranging a meeting of Chairs of IJB, SBC and NHS Borders audit committees as an opportunity to share practice and understand the governance arrangements and assurance frameworks of the Partners.

Assurance Statement to the IJB

The IJB Audit Committee provides the following assurance to the Integration Joint Board:

- The IJB has received the Minutes of the IJB Audit Committee meetings throughout the year.
- The IJB Audit Committee has operated in accordance with its agreed Terms of Reference, and accordingly with the audit committee principles within the CIPFA Position Statement.
- It did this through material it received from Internal Audit, External Audit, other scrutiny and audit bodies, and assurance from Management, and it placed reliance on the Partners' governance arrangements and assurance frameworks. It focussed entirely on matters of risk management, internal control and governance.
- For all audit reports, the IJB Audit Committee considered whether it was satisfied that an adequate Management response was in place to ensure action would be taken to manage risk and address concerns on internal controls and governance arrangements.
- There is effective engagement by the Members of the IJB Audit Committee including appropriate scrutiny and challenge and questions relating to the business on the agendas.
- The IJB Audit Committee has reflected on its performance during the year in respect of its Audit functions, and has identified areas for improvements.

Recommendations of the Terms of Reference for the IJB Audit Committee for the coming year

None.

Karen Hamilton
Chair of IJB Audit Committee
May 2021

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Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 8 March 2021

Audit committee purpose and governance	Yes/Partly/No	Comments
Does the integration authority have a dedicated audit committee?	Yes	The IJB Audit Committee has been constituted with a Terms of Reference and has periodic meetings during the year in line with the Audit Cycle.
Does the audit committee report directly to full Board?	Yes	IJB full Board approves Minutes of each IJB Audit Committee meeting.
Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement	Yes	Review has been completed by IJB Chief Internal Auditor against CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2018 (deemed applicable to integration authorities' audit committees).
Is the role and purpose of the audit committee understood and accepted across the integration authority?	Yes	IJB Audit Committee has been constituted with a Terms of Reference and has periodic meetings during the year in line with the Audit Cycle which are regularly attended by the IJB's Chief Officer, Chief Finance Officer, Chief Internal Auditor and External Auditor.
Does the audit committee provide support to the integration authority in meeting the requirements of good governance?	Yes	The IJB Audit Committee is a key part of the IJB's governance framework as outlined in the IJB Local Code of Corporate Governance (approved 17 September 2018). The role of the IJB Audit Committee is to have high-level oversight of the IJB's internal control, governance and risk management and its remit includes promotion of the highest standards of conduct and professional behaviour.
Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Yes	The IJB Audit Committee reviewed its terms of reference as part of the 2020/21 self-assessment of performance against best practice checklists on 8 March 2021. An Annual Report is presented to the IJB setting out the activities to enable stakeholders to understand how the IJB Audit Committee has discharged its duties and to identify areas of improvement to fulfil its remit.

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Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 8 March 2021

Functions of the committee	Yes/Partly /No	Comments
Do the committee’s terms of reference explicitly address all the core areas identified in CIPFA’s Position Statement?		
<ul style="list-style-type: none"> • good governance 	Yes	Included in function no. 1
<ul style="list-style-type: none"> • assurance framework, including partnerships and collaboration arrangements 	Yes	Included in all aspects of functions
<ul style="list-style-type: none"> • internal audit 	Yes	Included in function no. 3
<ul style="list-style-type: none"> • external audit 	Yes	Included in function no. 4
<ul style="list-style-type: none"> • financial reporting 	Yes	Included in function no. 5
<ul style="list-style-type: none"> • risk management 	Yes	Included in function no. 2
<ul style="list-style-type: none"> • Value for money or best value 	Yes	Included in function no. 7. Reliance is placed on partners’ arrangements as part of their operational service delivery.
<ul style="list-style-type: none"> • Counter-fraud or corruption 	Yes	Implicit in functions nos. 1 & 8. Reliance is placed on partners’ arrangements as part of their operational service delivery.
<ul style="list-style-type: none"> • Supporting the ethical framework 	Yes	Included in function no. 6

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Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 8 March 2021

Functions of the committee (cont'd)	Yes/Partly /No	Comments
Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	Yes	The IJB Audit Committee reviewed how it has fulfilled its terms of reference during the 2020/21 self-assessment of performance against best practice checklists on 8 March 2021, and there is evidence of improvement during the year. The Assurance Framework and the Audit Cycle that define the programme of work for the IJB Audit Committee are included in the Induction training pack along with Essential Questions for the Committee members to ask those charged with governance when considering the relevant reports as part of the Audit Cycle (under the three topics of Internal Control, Risk Management, and Governance).
Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	Yes	Review has been completed by IJB Chief Internal Auditor against CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2018 (deemed relevant to integration authorities' audit committees). In the context of health and social care integration reliance is placed on partners' audit committees fulfilling their functions. Chairs of IJB, NHS Borders and SBC Audit Committees have met during the year to share practice.
Where coverage of core areas has been found to be limited, are plans in place to address this?	Yes	Coverage of core areas is adequate.
Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Yes	The 2020/21 self-assessment has confirmed that the IJB Audit Committee adhered to its terms of reference during the year.

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Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 8 March 2021

Membership and support

	Yes/Partly /No	Comments
<p>Has an effective audit committee structure and composition of the committee been selected?</p> <p>This should include:</p> <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • consideration has been given to the inclusion of at least one independent member 	Yes	<p>1st bullet point – The scrutiny arrangements in place, which are based on legislative requirements, do not meet with generally accepted principles of good practice (refer below).</p> <p>2nd 3rd and 4th bullet points – The IJB appoints the Committee membership which consists of at least four voting members of the IJB, excluding professional advisors, and an independent member appointed from an external source.</p>
<p>Have independent members appointed to the committee been recruited in an open and transparent way and approved by the IJB?</p>	Yes	<p>An independent member of the IJB Audit Committee was appointed by the IJB Board in February 2020 following an external recruitment process.</p>
<p>Does the chair of the committee have appropriate knowledge and skills?</p>	Yes	<p>The Chair of the IJB Audit Committee is an experienced non-executive director. Pre-meetings between the Chair of the IJB Audit Committee and IJB Chief Internal Auditor were held prior to each Committee meeting.</p>
<p>Are there arrangements in place to support the committee with briefings and training?</p>	Yes	<p>The Induction Programme includes: Outline of Corporate Governance; role of the IJB Audit Committee; role of Internal and External Audit; Assurance Framework; and Audit Cycle. Informal Sessions before or after each IJB Audit Committee meeting will be used for the purpose of briefing and training.</p>
<p>Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?</p>	No	<p>The improvement identified in the 2018/19 self-assessment will be carried forward: IJB Audit Committee Members will utilise the Knowledge and Skills Framework to inform their learning and development needs.</p>
<p>Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?</p>	Yes	<p>Members, in particular the Chair of the IJB Audit Committee, utilise opportunities to meet with or email, as required, the key people involved in the IJB's governance for advice and support e.g. Chief Officer, those officers within SBC and NHS Borders who have provided interim cover arrangements for the vacant IJB CFO role, Chief Internal Auditor, External Auditor and Secretary.</p>
<p>Is adequate secretariat and administrative support to the committee provided?</p>	Yes	<p>A Secretary is assigned to the IJB Audit Committee.</p>

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Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 8 March 2021

Effectiveness of the committee	Yes/Partly /No	Comments
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Yes	The IJB Audit Committee obtained feedback on its performance from the external auditors and has enacted improvements by way of considering a wider range of reports and information at its meetings.
Are meetings effective with a good level of discussion and engagement from all members?	Yes	Recorded in Minutes.
Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	Yes	Members utilise opportunities to meet with or email, as required, the key people responsible for the IJB’s governance and improvement e.g. Chief Officer, Chief Finance Officer.
Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	Yes	Recommendations are made to the IJB Board through their approval of Minutes of each IJB Audit Committee meeting or via IJB Audit Committee Chair or via other reports to the IJB e.g. recommended frequency of risk reporting of IJB Strategic Risk Register six-monthly to IJB Board and annual to IJB Audit Committee.
Has the committee evaluated whether and how it is adding value to the organisation?	Yes	During its 2020/21 self-assessment the toolkit ‘Evaluating the Effectiveness of the Audit Committee’ from the CIPFA ‘audit committees’ guidance (2018) was utilised to consider how it is adding value to the IJB.
Does the committee have an action plan to improve any areas of weakness?	Yes	The IJB Audit Committee identified areas where it could improve in respect of its scrutiny and challenge role to fulfil its remit during its 2020/21 self-assessment against best practice checklist.
Does the committee publish an annual report to account for its performance and explain its work?	Yes	An Annual Report is presented to the IJB setting out the activities to enable stakeholders to understand how the IJB Audit Committee has discharged its duties and to identify areas of improvement to fulfil its remit.

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Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
1. Promoting the principles of good governance and their application to decision making	Supporting development of local code of governance. Providing robust review of the Annual Governance Statement (AGS) and the assurances underpinning it. Working with key members to improve their understanding of the AGS and their contribution to it. Supporting audits of governance arrangements. Participating in self-assessments of governance arrangements. Working with partner audit committees to review governance arrangements in partnerships.	Committee scrutinised Local Code of Corporate Governance and AGS. Opportunity for Members to engage with officers to clarify matters. Committee supports the role of audit in improving internal control and governance. Committee received presentations and reports from Management and Auditors. Consider arranging a meeting of Chairs of IJB, SBC and NHS Borders audit committees.	4 (4 2019/20)
2. Contributing to the development of an effective control environment.	Actively monitoring the implementation of recommendations from auditors. Encouraging ownership of the internal control framework by appropriate managers. Raising significant concerns over controls with appropriate senior managers.	Committee received periodic progress reports from Auditors e.g. follow-up activity. CO attended Committee meetings to discuss progress with improvement actions. National Reports shared with Committee to learn from others and understand context.	4 (4 2019/20)
3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking. Monitoring improvements. Holding risk owners to account for major/strategic risks.	Committee received Annual Reports from Auditors providing opinion on risk management arrangements. 6-monthly reviews of IJB Strategic Risk Register reported to full IJB Board as recommended by Committee.	4 (4 2019/20)
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	Specifying its assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.	Induction programme outlined Governance and Assurance Framework and Audit Cycle. Annual Strategies, Plans and Reports received from Auditors for assurance purposes.	4 (4 2019/20)

Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence.	Reviewing the audit charter and functional reporting. Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. Actively support Internal Audit improvements (QAIP).	Committee places reliance on SBC A&SC to approve Internal Audit Charter and confirm conformance with PSIAS (QAIP). IJB Internal Audit Annual Plans and Annual Assurance Reports are received for review.	4 (4 2019/20)
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	Reviewing how the governance arrangements support the achievement of sustainable outcomes. Reviewing major projects and programmes to ensure governance and assurance arrangements are in place. Reviewing the effectiveness of performance management arrangements.	Auditors provided assurance on transformation, efficiencies and performance management arrangements. Committee scrutinised annual accounts and report including Management Commentary on performance and outcomes.	4 (4 2019/20)
7. Supporting the development of robust arrangements for ensuring value for money.	Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee. Considering how performance in value for money is evaluated as part of the Annual Governance Statement.	Auditors provided assurance on value for money arrangements e.g. transformation, sustainability, and performance management. AGS sets out the Governance Framework including arrangements for best value.	3 (3 2019/20)
8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	Reviewing arrangements against standards in CIPFA's <i>Managing the Risk of Fraud and Corruption</i> (2014). Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. Assessing the effectiveness of ethical governance arrangements for both staff and governance bodies.	Reliance is placed on the arrangements for countering fraud and corruption within operational arrangements of partners who deliver the services commissioned by the IJB. Chairs of IJB, SBC and NHS Borders Audit Committees met to share practices.	4 (4 2019/20)
9. Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.	Improving how the authority discharges its public reporting responsibilities e.g. audience, plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encouraging transparency. Publishing a Committee annual report.	Committee scrutinised annual accounts and report prior to publication and audit – unaudited (June); audited along with Annual Audit Report (October due to Covid-19 impact on public audit process). Audit Committee annual report to IJB.	4 (4 2019/20)

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Key to Acronyms

IJB – Integration Joint Board (the strategic commissioning authority for health and social care services)

AGS – Annual Governance Statement (the statement reporting the outcome of the annual review of the effectiveness of the organisation’s system of internal control and governance arrangements against its Local Code of Corporate Governance, including any areas of improvement, presented within the statutory annual report and accounts)

CO – Chief Officer of the IJB

PSIAS – Public Sector Internal Audit Standards (quality management system for the Internal Audit providers)

QAIP – Quality Assurance and Improvement Plan (requirement of PSIAS)

SBC A&SC - Scottish Borders Council Audit and Scrutiny Committee

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**Scottish Borders Health & Social Care
Integration Joint Board Audit Committee**



Meeting Date: 14 June 2021

Report By:	Jill Stacey, SB IJB Chief Internal Auditor
Contact:	Jill Stacey (Scottish Borders Council's Chief Officer Audit & Risk)
Telephone:	01835 825036
SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2020/21	
Purpose of Report:	To present the Internal Audit Annual Assurance Report for the year to 31 March 2021 for the Scottish Borders Health and Social Care Integration Joint Board (SBIJB), which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of SBIJB's overall control environment, and to set out a list of Internal Audit reports by partners' Internal Auditors presented to their respective Audit Committees which are relevant to SBIJB for assurance purposes.
Recommendations:	The Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> a) consider the Internal Audit Annual Assurance Report 2020/21 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1), and provide any comments; and b) consider the list of Internal Audit reports by partners' Internal Auditors presented to their respective Audit Committees that are relevant to SBIJB for assurance purposes (Appendix 2), consider the assurances contained therein, and provide any commentary thereon.
Personnel:	The Internal Audit service to SBIJB is provided by Scottish Borders Council's Internal Audit team. The staff who performed the SBIJB Internal Audit work hold relevant professional qualifications and have the necessary experience, knowledge, skills and competencies (such as the Code of Ethics set out in the PSIAS). The SBIJB Internal Audit Annual Plan 2020/21, approved by the IJB Audit Committee on 9 March 2020, allocated 45 days to support the delivery of the Plan. A summary of the Internal Audit work that was undertaken during the year that underpins the annual assurance opinion is stated in Appendix 1.
Carers:	There is no direct impact on carers arising from the contents of this report.
Equalities:	There are no direct equalities and diversities implications arising from the contents of this report.
Financial:	There are no direct financial implications arising from the contents

	of this report.
Legal:	<p>The Scottish Borders Health and Social Care Integration Joint Board, established as a separate legal entity as required by the Public Bodies (Joint Working) (Scotland) Act 2014, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Scottish Borders partnership area, based on resources which have been delegated to it by the partners, Scottish Borders Council and NHS Borders.</p> <p>The SBIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The establishment of robust Risk Management and Audit arrangements is one of the key components of good governance and will be critical to the capacity of the SBIJB to function effectively.</p>
Risk Implications:	<p>The PSIAS require Internal Audit to evaluate the effectiveness of the SBIJB's Risk Management arrangements and contribute to improvements in the process.</p> <p>Internal Audit provides assurance to SBIJB Management, Audit Committee and the Board on the adequacy and effectiveness of internal controls and governance within the SBIJB, including risk management, and to highlight good practice and recommend improvements.</p> <p>It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of SBIJB Management implementing the Internal Audit recommendations.</p> <p>In addition to its own governance arrangements, the SBIJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners.</p>

1 Background

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the SBIJB's Chief Internal Auditor to prepare an annual report that incorporates the opinion on the adequacy and effectiveness of Scottish Borders Health and Social Care Integration Joint Board's framework of governance, risk management and control, a summary of the work that supports the opinion, and a statement on conformance with the PSIAS.
- 1.2 The Scottish Borders IJB Internal Audit Annual Plan 2020/21, which was approved by the SBIJB Audit Committee on 9 March 2020, included sufficient work to enable the SBIJB Chief Internal Auditor to prepare the statutory independent and objective audit opinion to the year ending 31 March 2021.
- 1.3 A progress update report was presented by the SBIJB Chief Internal Auditor to the SBIJB Audit Committee on 7 December 2020 which provided details of the half yearly progress by Internal Audit with its work activity to deliver the approved SBIJB Internal Audit Annual Plan 2020/21.

- 1.4 In addition to its own governance arrangements, the SBIJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners. This includes the existing mechanisms embedded within both NHS Borders and Scottish Borders Council for provision of Internal Audit assurances to their respective Audit Committees.

2 Assurance Reports

- 2.1 The Internal Audit Annual Assurance Report 2020/21 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1) provides assurances in relation to the SBIJB's corporate governance framework, that is a key component in underpinning the delivery of the SBIJB's strategic priorities. To ensure the annual reporting requirements of the Public Sector Internal Audit Standards (PSIAS) are met, the Report also includes a summary of the work that supports the opinion, and a statement on conformance with the PSIAS. The Internal Audit opinion, findings and recommendations within the Internal Audit Annual Assurance Report 2020/21 for the Scottish Borders Health and Social Care Integration Joint Board have been used to inform the SBIJB Chief Officer's Annual Governance Statement 2020/21.
- 2.2 The Appendix 2 to this report provides the list of Internal Audit reports by partners' Internal Auditors presented to their respective Audit Committees that are relevant to SBIJB for assurance purposes with a summary of assurances contained therein. The SBIJB Chief Internal Auditor takes account of these assurances from partners' Internal Auditors to provide assurance to the SBIJB.

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Jill Stacey
Chief Officer Audit & Risk, Scottish Borders Council
Chief Internal Auditor, Scottish Borders Health and Social
Care Integration Joint Board



**Auditors: Jill Stacey
Sue Holmes**

Internal Audit Annual Assurance Report 2020/21

to

**SBIJB Audit Committee,
SBIJB Chief Officer and Directors of Finance NHS Borders and Scottish Borders Council**

for

Scottish Borders Health and Social Care Integration Joint Board

1 Introduction

The Public Sector Internal Audit Standards (PSIAS) (2017) requires that:

“The chief audit executive (SBIJB’s Chief Internal Auditor) 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.”

2 Audit Opinion on the Governance, Risk Management and Internal Control

My opinion is that, based on our reviews, risk assessments and knowledge, the SBIJB’s governance arrangements, risk management and systems of internal control are adequate. Improvements made by Management during the year have been limited by the effect of the COVID-19 pandemic, however lessons learned from this have been noted.

The SBIJB operates under good public sector practice governance arrangements including the Scheme of Integration, Local Code of Corporate Governance, and Standing Orders, as well as through Board and Committee meetings that support scrutiny and transparency of decisions made. The Strategic Risk Register is regularly reviewed by the Chief Officer and reported during the year to the Board and the SBIJB Audit Committee who fulfil their oversight role to monitor the SBIJB’s risk management arrangements. Knowledge of the strategic risks faced by the SBIJB and associated mitigations also enables Board members to be more informed when making business decisions.

The budgetary monitoring process is sound although its value for control purposes is limited by the high level information provided to the SBIJB. Appropriate medium term financial planning arrangements are not yet fully developed. Management and the Board are aware that significant action has to be taken to bring future budgets into balance and achieve financial sustainability over the medium-term. The Chief Financial Officer post has yet to be filled on a permanent basis.

The SBIJB is demonstrating strategic leadership by developing and clearly communicating the authority’s purpose, vision and intended outcomes for service users which are reflected in the SBIJB Strategic Plan 2018-2021. Clarity and transparency of Directions to partners is important to set out the provision of integrated health and care services, including major service redesign; these were reported in the 2019/20 Annual Performance Report. Progress continues towards delivering integrated Health and Social Care services but the SBIJB still has more work to do, which is in common with other IJBs.

Workforce Planning is an ongoing process and should be reviewed and revised regularly to ensure it is up to date in respect of delivery partner plans and commitments and SBIJB priorities within its Strategic Plan. Workforce planning guidance was published by the Scottish Government in December 2019. The full Workforce Plan for the SBIJB has yet to be developed.

A Performance Management Framework has been refined during the year in line with the Strategic Plan to support the SBIJB to assess the effectiveness in achieving strategic objectives. Clear and regular performance updates ensure that the SBIJB fulfils its requirements regarding monitoring and measuring the effectiveness of the arrangements for the carrying out of the integration functions.

Improvements in governance and internal control will be made by Management through the full implementation of Internal Audit recommendations. Recommendations arising from this review have been agreed by Management as highlighted in Section 6. Internal Audit will continue to follow-up progress on their implementation and provide periodic progress reports.

3 Scope of the Internal Audit Annual Plan 2020/21

Our plan for 2020/21 covered: the operation of corporate governance and risk management arrangements; review of financial management arrangements; contracts and commissioning arrangements (deferred to 2021/22); the performance management framework; and also follow up work on previous Internal Audit recommendations. We summarise below the work we have undertaken to obtain assurances over the arrangements in place for each area considered and our conclusions on the effectiveness and appropriateness of these arrangements.

Governance Arrangements

- assess the governance and risk management arrangements in place to ensure they are operating as described, including strategic planning and Directions, and the workforce planning framework

Financial Management

- assess the arrangements for the management of financial resources delegated to the partnership

Performance Management Framework

- assess the alignment of performance measures within the Performance Management Framework to key outcomes and priorities

Follow up of previous Internal Audit recommendations

- follow-up of progress on areas of improvement recommended in 2019/20 audit assurance work

Audit planning

- renew risk assessment, develop and consult on coverage within the SBIJB Internal Audit Annual Plan 2021/22

Audit Committee Self-Assessment

- provide assistance to the Chair in undertaking a self-assessment of the SBIJB Audit Committee against the CIPFA Best Practice Guidance

4 Public Sector Internal Audit Standards (PSIAS)

The 2020/21 External Quality Assessment and Self-Assessment of practices against the professional standards PSIAS (2017) have both indicated that Scottish Borders Council's Internal Audit function conforms with the requirements within the 13 Assessment Areas of the Definition of Internal Auditing, the Code of Ethics, the Attribute Standards and the Performance Standards. This includes the production of this report to communicate the results of its audit work during the year for the Scottish Borders Health and Social Care Integration Joint Board.

Corporate Governance and Risk Management

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

The SBIJB operates under good public sector practice governance arrangements supported by the SBIJB's Local Code of Corporate Governance, which is based upon the CIPFA/SOLACE 2016 Framework. The Local Code reflects the appropriate framework for effective governance of the SBIJB's business, including its role as the strategic commissioning body, ie, setting out when responsibility lies with the Chief Officer, Chief Financial Officer and the Board or where reliance is placed on the arrangements in place at its provider partners. A review of the Local Code of Corporate Governance will be carried out during 2021/22 to ensure alignment with the update of the Strategic Commissioning Plan and review of the Scheme of Integration.

Effective leadership is essential to the SBIJB in delivering its strategic objectives. The continuity of the Chief Officer has enabled good progress to be made with integrating management arrangements and frontline services, however, further steps are still required to recruit to the SBIJB CFO role on a permanent basis. This post was filled on an interim secondment basis until August 2020 and is currently being fulfilled jointly by the NHS Borders and Scottish Borders Council Directors of Finance. We have reiterated our recommendation from 2019/20 to recruit to the position of a permanent CFO. Refer to Section 6 (*Recommendation 1*).

The COVID-19 pandemic changed governance requirements and, as a consequence, the governance structure of the SBIJB was revised and approved by the Board in August 2020 to include a Strategic Implementation Plan Oversight Board to support delivery of the Strategic Implementation Plan through 10 priority workstreams, though these may change as priorities evolve. These workstreams will ensure work to deliver actions is efficient, there is clear direction and delivery is scrutinised regularly. The new governance structure facilitates more comprehensive joint decision making with all represented parties.

Our attendance at virtual Board and committee meetings and review of the Minutes of meetings which we did not attend continues to indicate that strong leadership is in place and that the Health and Social Care partners are working together in a constructive way.

The SBIJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council. This includes the existing mechanisms embedded within both NHS Borders and Scottish Borders Council for provision of Internal Audit assurances to their respective Audit Committees. Details of internal audit reports by Partners' internal audit providers and a summary of the assurances contained therein was provided to the SBIJB Audit Committee in December 2020.

The new Risk Management Policy and refreshed Risk Management Strategy was approved by the SBIJB on 19 August 2020. Risk Reporting to the Board was delayed during 2020/21 due to the COVID-19 pandemic, however, regular risk reviews by the SBIJB Chief Officer with support from Scottish Borders Council's Corporate Risk Officer are now established. It is important that the SBIJB has robust risk management arrangements in place because if objectives are defined without taking the risks into consideration, direction would be lost should any of these risks materialise. The significant incident in late March 2020 associated with the Covid-19 pandemic emergency response and the Scottish Borders Health and Social Care Partnership's strategic role therein tested how well the risk management framework is operating. During the year there have been examples of innovations, new business processes and solutions, and new technology being embraced in order to deliver services to the community. This was achieved using new ways of decision-making, amended governance arrangements, leadership and implementation including virtual meetings, conference calls, and systems remote access.

Following the submission of the SBIJB's Ministerial Strategy Group (MSG) self-assessment, an action plan was presented to the IJB Audit Committee in March 2020, with progress reports due every six months. Whilst there has been some movement with progress on actions, formal updates on progress of the consolidated MSG improvement actions and Best Value areas of improvement action plan have not yet been provided. We have made a recommendation that updates be provided. Refer to Section 6 (*Recommendation 4*).

Conclusion

The SBIJB operates under good public sector practice governance arrangements including the Scheme of Integration, Local Code of Corporate Governance, and Standing Orders. Risk Management arrangements are established and regular review by the Chief Officer and reporting to the SBIJB of the Strategic Risk Register is carried out.

Strategic Planning and Directions

Delivering integrated services which are effective and efficient.

The SBIJB, as strategic commissioner of health and social care services, gives Directions to NHS Borders and Scottish Borders Council for delivery of the services in line with the Strategic Plan. Success of integration arrangements is dependent upon effective joint working, and it is essential that organisations work together to plan transformation and savings. Work is underway to formulate joint transformation between NHS Borders (Turnaround Programme) and Scottish Borders Council (Fit for 2024) in order to deliver the SBIJB Strategic Plan 2018-21. The Strategic Plan is articulated through the Strategic Implementation Plan (SIP 2019-24) which sets out how services will be planned and delivered using the integrated budgets to achieve the strategic objectives. As the transformation programme progresses there will be more use of Directions in service redesign and recommissioning.

Legislation requires that the action the delivery partners are required to undertake are set out in formal instructions (Directions) from the integration authority. A summary of Directions and Decisions made by the SBIJB during 2019/20 was published in the Annual Performance Report issued September 2020. However, we feel that a more detailed annual report setting out the Directions that the SBIJB has made to partner organisations would ensure that clarity and transparency can be demonstrated and aligned to performance and financial reporting. We have reiterated our recommendation from 2019/20 regarding an annual report on Directions. Refer to Section 6 (*Recommendation 2*).

The Strategic Plan was due to be renewed in 2021, but given the current uncertainties regarding the COVID-19 pandemic, it was deferred by agreement with the Strategic Planning Group. A Strategic Commissioning Plan for 2022-25 will be developed by April 2022, with Community engagement at the heart of developing the plan in line with good practice.

Conclusion

The SBIJB is demonstrating strategic leadership by developing and clearly communicating the authority's purpose, vision and intended outcomes for service users. Progress has been made towards delivering integrated Health and Social Care services but there is still some way to go. Clarity and transparency of Directions to partners is important to set out the provision of integrated health and care services including major service redesign.

Workforce Planning Framework

Workforce planning is concerned with ensuring that an organisation has the right people, with the right skills, in the right place, at the right time to support the delivery of objectives.

Integration of Health and Social Care services requires responsive and appropriate workforce planning, while respecting governance structures and responsibilities in place within different sectors. Workforce planning guidance from the Scottish Government was received in December 2019. The full Workforce Plan has yet to be developed as a direct consequence of resource implications of the Covid-19 pandemic. The Health and Social Care Partners should develop the Workforce Planning Framework and the full Workforce Plan in order to support the delivery of the SBIJB Strategic Commissioning Plan as soon as possible. We have reiterated our recommendation made in 2019/20 in respect of workforce planning. Refer to Section 6 (*Recommendation 3*).

The refresh of Strategic Implementation Plan (SIP) identified the need to prioritise workforce issues. Workforce Support & Provision is now one of the ten priority areas which report into the SIP Oversight Board.

Conclusion

Workforce planning is an ongoing process and should be reviewed and revised regularly to ensure it is up to date in respect of delivery partner plans and commitments, SBIJB priorities within its Strategic Commissioning Plan, and Scottish Government guidance.

Financial Management

Financial management is concerned with the transparent reporting of financial and performance information.

The SBIJB prepares its financial statement and budget monitoring reports by consolidating financial data held within the Council's and NHS Borders' financial systems. The Board receives a financial report and commentary at each meeting. Information is provided at very high level with single figures provided for Health and Social Care, reflecting the strategic governance role of the Board. The SBIJB allocates an annual budget back to partners.

A Joint Financial Plan 2020-2023 was approved by the Board on 24 March 2020. The Board also approved the budget allocations from NHS Borders and Scottish Borders Council for 2020/21. Scottish Government only provided funding for 2020/21. Indicative budgets have limited value for planning purposes, and we recognise that this is challenging due to partners budget offers being for 1 year reflecting funding settlements being for 1 year.

Central to integration and transformation is the successful delivery of identified transformation and efficiency projects. Both partners have ambitious savings programmes to deliver therefore monitoring and reporting of progress against the targets will ensure any areas of concern can be highlighted early and mitigating actions identified to ensure realisation of savings. The Board receives regular monthly forecasts of the financial position with information on savings programmes across the Partnership.

It was not clear how the financial management procedures provide assurance that services delivered represent value for money and that resources are being used efficiently and effectively as specified in National Outcome 9. Reliance will be placed on the value for money arrangements within the partners.

Conclusion

The budgetary monitoring process is sound although its value for control purposes is limited by the high level information provided to the SBIJB. Appropriate medium term financial planning arrangements are not yet fully developed.

Performance Management Framework

Performance management is concerned with developing and maintaining a strategic and integrated approach to improving the effectiveness of the organisation in delivering a high quality of service for users which represents value for money.

The SBIJB has a clear a vision and has set out strategic objectives and outcomes in the Strategic Plan. The Performance Management Framework supports the SBIJB to assess the effectiveness of the H&SCP in working towards the achievement of its strategic objectives. By using performance information this will help the partnership make informed decisions on future priorities and build a culture of continuous improvement. Robust and comprehensive performance reporting enables better management of services, demonstrates best value and satisfies statutory obligations to stakeholders. Performance reports presented to the SPG and the Board monitor service delivery and provide assurance that the necessary reporting and scrutiny is in place through the partnership. Monitoring performance is also vital in determining whether desired outcomes are being achieved. Delivery Partners have performance monitoring and reporting controls of their own in operation.

A set of high level Key Performance Indicators (KPIs) have been established which are aligned under the three strategic objectives in the Strategic Plan. The IPG has continued to review, refine and develop the indicators and ensure that any new indicators for reporting are robust and any proposed changes are discussed at the SPG and the Board. Reporting has been expanded to show social care indicators to provide a better balance and mix of KPIs. However, it is not clear from the performance reports who is the responsible owner for any mitigating actions to address performance off target.

During 2020/21 three Performance Reports were presented to the SPG (August and November 2020 and February 2021). Discussion is underway to determine a change to supplement these quarterly performance reports with additional, more focused performance information, ensuring that up to date local data can be used to help with future decision making and generate debate at Board level providing the basis for service change direction and action.

There is also a legislative requirement for the SBIJB to publish an Annual Performance Report by 31 July each year. Legislation was amended by the Scottish Government for 2019/20 due to the impact of COVID-19 for IJB's to publish their Annual Performance Report by 31 October 2020. The 2019/20 Annual Performance Report for the SBIJB was agreed by the Board 23 September 2020 and published thereafter.

Conclusion

A Performance Management Framework has been refined during the year in line with the Strategic Plan to support the SBIJB to assess the effectiveness in achieving strategic objectives. Clear and regular performance updates ensure that the SBIJB fulfils its requirements regarding monitoring and measuring the effectiveness of the arrangements for the carrying out of the integration functions.

Follow up of 2019/20 Recommendations

There were three recommendations in the 2019/20 Internal Audit Annual Assurance Report, and an update on progress with these was provided to the SBIJB Audit Committee 7 December 2020. One recommendation was partially completed; the Annual Performance Report 2019/20 summarised the SBIJB Decisions/Directions between April 2019 and March 2020, however we feel that a more detailed annual report setting out the Directions that have been made would demonstrate clarity and transparency when aligned to performance and financial reporting. Two recommendations are still outstanding; the Chief Financial Officer vacancy, and Workforce Planning. Whilst some progress has been made with the three recommendations we have reiterated these in the action plan in Section 6. The wording of the three recommendations have changed slightly since 2019/20 to reflect the current situation.

Recommendations in reports are suggested changes to existing procedures or processes. The rating of each recommendation reflects our risk assessment of non-implementation, being the product of the likelihood of the risk materialising and its impact. The ratings are:

High – Arising from a finding which leaves the IJB open to a very high risk of not achieving its strategic objectives, and where the risk is sufficiently significant to require immediate action within one month of formally raising the issue.

Medium – Arising from a finding which leaves the IJB open to significant risk of not achieving its strategic objectives requiring reasonably urgent action within three months of formally raising the issue.

Low – Arising from a finding which leaves the IJB open to moderate risk of not achieving its strategic objectives requiring action within six months of formally raising the issue to improve efficiency, effectiveness and economy of operations.

Recommendations	Agreed action owner and timescale	
1 Corporate Governance – Chief Financial Officer	Medium	
The Chief Financial Officer role is being fulfilled jointly by the NHS Borders and Scottish Borders Council Finance Directors. Steps are still required to recruit to the IJB CFO role on a permanent basis.	The interim arrangement already in place will be further supported and strengthened whilst a further attempt is made through a national recruitment drive. Responsible Owner: Chief Officer Completion Date: July 2021 and October 2021	
2 Strategic Planning and Directions	Medium	
A detailed annual report setting out the Directions that the IJB has made to partner organisations would ensure that clarity and transparency can be demonstrated and aligned to performance and financial reporting.	The review of the strategic commissioning plan is underway and an extensive consultation exercise will be completed by October 2021 to support the completion of the new 5 year Strategic Commissioning Plan. Responsible Owner: Chief Officer Completion Date: March 2022	
3 Workforce Planning	Medium	
The Health and Social Care Partners should develop the Workforce Planning Framework and the full Workforce Plan in order to support the delivery of the new SBIJB Strategic Commissioning Plan.	Responsible Owner: Chief Officer Completion Date: March 2022	
4 Corporate Governance – MSG Actions / Best Value Areas of Improvement	Medium	
Updates on progress against the MSG Self Evaluation HSCP Action Plan and Best Value Areas of Improvement should be provided to the SBIJB Audit Committee every 6 months.	Responsible Owner: Chief Officer Completion Date: October 2021	

Partners' Internal Audit Assurance 2020/21 (in part)

Appendix 2

Below is the list of Internal Audit reports by partners' Internal Audit providers (SBC Internal Audit for Scottish Borders Council; Grant Thornton for NHS Borders) that have been presented in the second half of 2020/21 to their respective Audit Committees which are relevant to SBIJB for assurance purposes, with a summary of assurances contained therein.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Scottish Borders Council Audit and Scrutiny Committee 23 November 2020 (Source: Agenda, Reports and Minutes published on website modern.gov)	Treasury Management	To ensure the treasury functions are administered effectively and in compliance with policy, strategy, codes of practice and indicators.	Comprehensive assurance. Sound risk, control, and governance systems are in place. Good practice was found relating to: Reporting, governance and performance measurement processes; effective review controls over the calculation of prudential indicators; effective cash flow management; Compliance with CIPFA Prudential Code based on an understanding of risks and mitigations relating to the Council's investment strategy and plans. No recommendations were made.
	Community Equipment Service	To assess the adequacy of operational processes and practices in place to meet the needs of users to ensure the efficient and effective operation and delivery of the Community Equipment Service (CES).	Substantial assurance. Largely satisfactory risk, control, and governance systems are in place. Minor improvements in relation to the recycling of equipment, setting standards of service and performance measures which were discussed with Management during the audit. The previous recommendation remains outstanding relating to the signature of the SLA and agreement re the funding package for this Service to ensure its financial sustainability. Good practice was found relating to: Continuity of service delivery to support colleagues and service users during the pandemic; High rates of recycling of specific equipment. No further recommendations were made.
Scottish Borders Council	Corporate	To follow-up on Management's implementation of	Substantial assurance. Three prior year recommendations (2

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Audit and Scrutiny Committee 8 March 2021 (Source: Agenda, Reports and Minutes published on website modern.gov)	Transformation Programme: Fit for 2024	recommendations made during the previous year's Internal Audit review of the Fit for 2024 corporate transformation programme.	Medium; 1 Low) have been implemented. No further recommendations. The Covid-19 response and recovery phases have adversely affected the delivery of the Fit for 2024 programme in 2020/21 due to reduced Management capacity to drive forward change and deployment of some support staff to other priorities. There has continued to be appropriate monitoring and reporting of the delivery of the Fit for 2024 programme, including evidence of appropriate scrutiny and oversight by Elected Members.
	Integrated People, Financial and Business Planning	To ensure that financial, people and business plans are aligned to Council priorities, that processes and procedures for preparing, monitoring and controlling the budget, including efficiency savings, are robust, and that the approach to workforce development enables the provision of the skills, knowledge and competency requirements for service delivery to meet the Council's objectives.	Substantial assurance. No recommendations. CMT reviewed the timetable in September 2020. The process for 2021/22 has been carried out via a series of workshops and meetings with Services. The structure of both the Financial Planning and People Planning templates allows the planning process to be applied consistently across Services. Member Briefings have been provided at various stages during the process. A public consultation exercise was also undertaken. Detailed Service Plans have not yet been produced to complete the links from the Corporate Plan to the individuals' PRDs that have been missing in recent years. There are Management actions underway to address this.
	Physical Disabilities Services (Adults and Children)	To assess the adequacy of controls to provide ability aids and equipment and other services through partners to meet the needs of people with physical disabilities, and to ensure there is sound budgetary control.	Substantial assurance. No recommendations. Areas of good practice were found: suitable processes for identifying and communicating changes to relevant legislation and guidance; good engagement and effective budget monitoring; good processes for reviewing the suitability of suppliers in terms of delivering agreed outcomes and securing best value; compliance with the Council's risk management and information management policies. There are Management actions underway on the review of the policy framework and on planning for transitions as areas of improvement.
Scottish Borders Council Audit and Scrutiny	ICT Operational Computer	To review the change request processes in place, the security controls for employees working from home,	Substantial assurance. No recommendations. Areas of good practice were found: The same security is in place for home

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Committee 8 March 2021 (cont'd)	Systems	and the leavers' process to ensure they are fit for purpose to support service delivery.	workers as if working from the office; Leavers are reported weekly to the system administrators of cloud-based applications. There is assurance that change requests are fit for service delivery and are appropriately approved. The Council was well placed to respond to the Covid-19 pandemic in terms of IT devices and already established secure remote access. 'DirectAccess' provides the same security for remote access to the network for home workers. Management action underway for system administrators ensuring leavers are removed from systems.
	Internal Audit Charter	To define the purpose, authority and responsibility of the Internal Audit activity, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards in the PSIAS.	The Internal Audit Charter has been updated in conformance with the PSIAS for approval by the Audit and Scrutiny Committee to ensure that Internal Audit is tasked to carry out its role in accordance with best practice.
	Internal Audit Strategy and Plan 2021/22	To set out the Council's assurance framework and the Chief Audit Executive's strategy for discharging the Internal Audit role and providing the necessary annual assurance opinions, and propose the planned programme of Internal Audit work for the year.	The Internal Audit Strategy to meet the Internal Audit Charter and the proposed Internal Audit Annual Plan 2021/22 that sets out the range and breadth of audit areas and sufficient work within the audit programme of work to enable the CAE to prepare an Internal Audit annual opinion. Key components of the audit planning process include a clear understanding of the functions, associated risks, and assurance framework.
Scottish Borders Council Audit and Scrutiny Committee 10 May 2021 (Source: Agenda, Reports and Minutes published on website modern.gov)	Business World ERP System Key Internal Controls	Integration of 4 audits 2020/21 relating to the work streams (Procure to Pay; Sales to Cash; HR & Payroll, including Pension Payments; and Record to Report) to test the end to end processes and internal controls in place during the period April 2020 to end January 2021.	Comprehensive Assurance (Payroll), Substantial Assurance (Procure to Pay; Sales to Cash; HR; Record to Report; Systems Documentation and Training Materials), and Limited Assurance (GL07s; System Roles / User Access). Follow up of the 8 prior year recommendations (5 Medium Risk; 3 Low Risk) (5 P2P; 1 S2C; 2 Payroll / HR) shows 7 are now completed with evidence of improvements made. The one remaining relates to the BW system calculation of VAT on invoices (P2P, low risk).
Scottish Borders Council Audit and Scrutiny	Learning Disabilities	This review was added to the Plan utilising Contingency days following a request by Corporate	Limited assurance. One medium-rated recommendation to address the significant weaknesses surrounding the content

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Committee 10 May 2021 (cont'd)	Services Financial Management	Management Team (CMT). The purpose was to assess the financial management, monitoring and reporting processes to provide assurance on budgetary control.	provided in financial reporting to CMT to demonstrate budgetary control, including the delivery of savings. Areas of good practice were found: A consistent and effective approach is taken regarding the monitoring of contracts; There is good collaboration between LDS, the Contracts & Procurement team and Financial Services.
	Information Governance	To examine the Information Governance Framework including roles and responsibilities, review policy development and implementation, assess compliance with legislation, and provide annual assurance to the Senior Information Risk Owner and Data Protection Officer.	Substantial assurance on Information Governance, Records Management; Information Security and Information Sharing; Data Protection and Information Access. Scope for improvement, specifically to ensure that the mandatory training completion rate is achieved and refresh awareness of Information Management issues. Management actions underway, therefore no recommendations were made.
	Internal Audit Annual Assurance Report 2020/21	To provide the statutory annual internal audit opinion on the adequacy of the Council's overall control environment.	The systems of internal control, governance and risk management within the Council are operating satisfactorily. A common theme from Internal Audit findings during the year was evidence from a number of Services of keeping their policies and procedures up-to-date, including some that were developed or adapted quickly to support service delivery during the pandemic. 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. Reasonable assurance can be provided on the adequacy of the internal controls and governance arrangements in place. The Council has Corporate and Service Risk Registers in place, which are subject to regular review by relevant Directors and Managers who are the risk owners. Internal Audit opinion has been used to inform the Chief Executive's Annual Governance Statement 2020/21.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
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Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee</p> <p>12 December 2020</p> <p>(Source: Minutes of meeting on NHS Borders website, considered by Board 1 April 2021)</p>	<p>Audit Follow-Up Report</p>	<p>Planned follow-up on progress by Management with implementation of Internal and External Audit recommendations.</p>	<p>Reported that 11 recommendations had been closed by Management since the last meeting. Of the Internal Audit recommendations raised three were not yet due. For an additional 12 recommendations dates had been revised and were not yet due. It was noted that the revised timescales were primarily due to the Covid19 pandemic.</p>
	<p>Internal Audit Plan Update Report</p>	<p>Progress against Plan 2020/21.</p>	<p>The report provided details of the reports finalised since the last meeting which were being presented today and those which would come forward to future meetings.</p>
	<p>Internal Audit Report – Estates & Facilities</p>	<p>Planned assurance audit 2020/21.</p>	<p>Partial level of assurance with improvement required. Four medium-rated recommendations. Highlighted the findings: surveys had not been carried out on properties within the required timeframe and the associated risks have not been identified and reported to the Board; backlog maintenance and information requires to be recorded on the Estates Asset Management Systems (EAMS); disconnect between the Property Asset Management Strategy (PAMS) and the organisation's other strategies; costs against the agreed budget for backlog maintenance are not adequately monitored on a regular basis.</p>
	<p>Internal Audit Report – Delayed Discharges (IJB)</p>	<p>Planned assurance audit 2020/21.</p>	<p>Partial level of assurance with improvement required. Three medium-rated and two low-rated recommendations. Highlighted the findings: policies and procedures in relation to care home placements are not consistently followed with instances noted of patients not being moved to an interim facility; lack of formal guidance and agreed timeframes for action to facilitate discharges; reporting arrangements may provide differing or limited views of delayed discharges; opportunity to enhance trend reporting and increase awareness of national and local targets; learning through the response to Covid19 may not harnessed.</p>
<p>NHS Borders Audit</p>	<p>Internal Audit</p>	<p>Planned assurance audit 2020/21.</p>	<p>Partial assurance with improvement required. One high, two</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Committee 12 December 2020 (cont'd)	Report – Pharmacy Controls		medium and two low risk recommendations. Highlighted the findings: unsecured medicines had been observed in a public area; cycle counts not being performed regularly to ensure discrepancies are adjusted to facilitate timely automatic recording of stock; limited visibility of approval of nonformulary drugs within Pharmacy and costs of medicines at ward level with a lack of visibility of the financial information provided; limited awareness of procedure documentation as well as discrepancies across these; opportunities to enhance the use of reporting capabilities in the system which would flag any material adjustments for further investigation.
NHS Borders Audit Committee 22 March 2021 (Source: Audit Committee update to Board 1 April 2021)	Internal Audit Tender	Update on tender process and outcome for the provision of Internal Audit services.	Following a tender exercise, Grant Thornton, the Board's current Internal Auditors, were appointed for a four-year period commencing 1st April 2021. This is a joint appointment with NHS Lothian.
	Internal Audit Progress Update - Delayed Discharges	Follow-up on progress by Management with implementation of Internal Audit recommendations.	The Chief Officer informed the Committee of developments being put in place to create more flexible step-up/stepdown capacity and the implementation of a Delayed Discharge Steering Group. These should in due course see a positive effect in reducing the number of delayed discharges but significant, sustainable reductions will only be possible when the bed-base for social care is increased. Planning for the latter outcome continues Updates on progress against the Internal Audit Recommendations will be reported to the Resources & Performance Committee.
	Internal Audit Update	Progress against Plan 2020/21.	The Committee noted the progress with the 2020/21 Internal Audit Plan and endorsed the proposed extension to timescales for delivery of a number of outstanding actions. This included three actions in relation to public engagement.
NHS Borders Audit	Internal Audit Report –	Planned assurance audit 2020/21.	The Director of Workforce advised that the recommendations of this audit have been accepted and that these will be

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Committee 22 March 2021 (cont'd)	Workforce Planning		incorporated into the Board's 2021/22 interim workforce plan and its updated three-year workforce plan to be prepared for April 2022.
	Internal Audit Plan 2021/22	To propose the planned programme of Internal Audit work for the first quarter of 2021/22.	The Committee agreed the Internal Audit Plan for the first quarter of 2021/22 and noted the suggested topics for future planning.

The SBIJB Chief Internal Auditor will take account of these assurances from partners' Internal Audit providers to provide Internal Audit assurance to the SBIJB.

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*Scottish Borders Health & Social Care
Integration Joint Board Audit Committee*



Meeting Date: 14 June 2021

Report By:	Rob McCulloch-Graham, Chief Officer Health & Social Care
Contact:	Jill Stacey, IJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)
Telephone:	01835 825036
ANNUAL GOVERNANCE STATEMENT 2020/21 OF THE SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD	
Purpose of Report:	This report proposes that the IJB Audit Committee considers and approves the Annual Governance Statement 2020/21 of the Scottish Borders Health and Social Care Integration Joint Board that will be published in the Annual Report and Accounts.
Recommendations:	The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> a) Consider the details of the Annual Governance Statement 2020/21 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1) to ensure it reflects the risk environment and governance in place to achieve objectives, and acknowledges the actions identified by Management to improve internal controls and governance arrangements; and b) Approve that it be published in the Annual Report and Accounts 2020/21 of the Scottish Borders Health and Social Care Integration Joint Board.
Personnel:	The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration, Constitution and Standing Orders to make sure that public business is conducted with fairness and integrity. The Board has a standalone Terms of Reference setting out its remit. The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
Carers:	There is no direct impact on carers arising from the contents of this report.
Equalities:	There are no direct equalities and diversities implications arising from the contents of this report.
Financial:	There are no direct financial implications arising from the contents of this report.

Legal:	<p>The Scottish Borders Health and Social Care Integration Joint Board, established as a separate legal entity as required by the Public Bodies (Joint Working) (Scotland) Act 2014, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Scottish Borders partnership area, based on resources which have been delegated to it by the partners, Scottish Borders Council and NHS Borders.</p> <p>The SBIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration.</p> <p>The IJB is required to review the effectiveness of its existing governance arrangements against its Local Code of Corporate Governance, and prepare a governance statement and report compliance on an annual basis. This is set out in the Annual Governance Statement 2020/21.</p>
Risk Implications:	<p>The Annual Governance Statement 2020/21 details areas where additional work would further enhance the internal control environment, or improve risk management, and corporate governance arrangements.</p> <p>In addition to its own governance arrangements, the SBIJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners. Where appropriate, existing mechanisms embedded within both NHS Borders and Scottish Borders Council have been used to provide assurance to the SBIJB.</p>

1 Background

- 1.1 The IJB 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.
- 1.2 The IJB approved a revised Local Code of Corporate Governance in September 2018, on recommendation by this Committee, which helps to ensure proper arrangements continue to be in place to meet these responsibilities. The Local Code is consistent with the principles and requirements of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) which is deemed appropriate for the IJB under the legislative framework for integration authorities.
- 1.3 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.
- 1.4 The CIPFA/SOLACE Framework urges 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.

- 1.5 Part of the IJB Audit Committee's remit is to assess the adequacy and effectiveness of the IJB's internal controls and corporate governance arrangements against the good governance framework and consider the annual governance reports and assurances to ensure that the highest standards of probity and public accountability are demonstrated. 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.

2 Annual Governance Statement 2020/21

- 2.1 The Annual Governance Statement 2020/21 (Appendix 1), in compliance with the CIPFA/SOLACE Framework, provides details of the IJB's Governance Framework, the annual Review of Framework undertaken, Improvement Areas of Governance, and Overall Opinion.
- 2.2 In terms of overall corporate governance it is the Chief Officer'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 IJB are operating adequately. The Annual Governance Statement 2020/21 is informed by the work of Internal Audit, External Audit and Inspection agencies, and existing governance and assurance mechanisms embedded within both NHS Borders and Scottish Borders Council.

¹ CIPFA guidance note for local authorities 'Audit Committees' (2018)

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Annual Governance Statement 2020/21

Introduction

The Annual Governance Statement explains the IJB's governance arrangements and system of internal control and reports on their effectiveness.

Scope of Responsibility

The IJB 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.

To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on NHS Borders and Scottish Borders Council (the partners) systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

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

The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either NHS Borders or Scottish Borders Council, as well as non-voting members including a Chief Officer appointed by the Board.

The IJB's Local Code of Corporate Governance (IJB Local Code), which was approved by the Board in September 2018, sets out the framework and key principles which require to be complied with to demonstrate effective governance. The IJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of 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 main features of the governance framework and internal control system associated with the seven core principles of good governance defined in the Local Code in existence during 2020/21 included:

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

The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration, Constitution and Standing Orders to make sure that public business is conducted with fairness and integrity. The Board has a standalone Terms of Reference setting out its remit.

Reliance is placed on the values and standards set out in the codes of conduct within the employer partner organisations, which incorporate "The Seven Principles of Public Life" identified by the Nolan Committee on Standards in Public Life.

The IJB is dependent upon arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints;
- ethical awareness training and whistleblowing policies and procedures;
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- identifying, mitigating and recording conflicts of interest, hospitality and gifts; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

Other areas where the IJB places significant reliance on arrangements in place within the partner organisations are set out in the remainder of the statement.

The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Professional advice on the discharge of duties is provided to the Board by the IJB Chief Officer supported by the Board Secretary, those fulfilling the role of Chief Financial Officer on an interim basis, and the Chief Internal Auditor as appropriate.

B. Ensuring openness and comprehensive stakeholder engagement

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

Unless confidential, decisions made by the Board are documented in the public domain.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plan of the Health and Social Care Partnership was developed following consultations with interested parties including members of the public.

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

The vision, strategic objectives and outcomes are reflected in the Scottish Borders Health & Social Care Partnership's Strategic Plan 2018-2021 and the associated Strategic Implementation Plan, which reflect on-going assessment of need.

Implications are considered during the decision making process by way of the standard report template covering Personnel, Carers, Equalities, Financial, Legal, and Risk implications.

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

In determining how services and other courses of action should be planned and delivered the partnership has a statutory responsibility to involve patients and members of the public.

The Scottish Borders Health & Social Care Partnership's Strategic Plan 2018-2021 is based on consultation during its review and update and describes the planned redesign of Health and Social Care. The Strategic Implementation Plan sets out how services will be planned and delivered using the integrated budgets to achieve the strategic objectives.

The IJB, as strategic commissioner of health and social care services, gives Directions to NHS Borders and Scottish Borders Council for delivery of the services in line with the Strategic Plan. In future there will be more use of Directions as service redesign and recommissioning in line with the transformation programme is progressed.

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

The IJB Chief Officer is responsible and accountable to the Board for all aspects of management including promoting sound governance and providing quality information/support to inform decision-making and scrutiny.

Regular meetings are held between the Chief Officer and the Chair and Vice Chair of the IJB. The IJB Chief Officer also meets regularly with the Chief Executives of the partner organisations.

Members of the IJB Board are provided with the opportunity to attend Development Sessions relevant to their role.

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

The IJB Chief Officer has overall responsibility for directing and controlling the partnership. The IJB Board is responsible for key decision-making.

The IJB has approved a Risk Management Strategy which includes: the reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance. Improved strategic risk review and reporting to the Board have been established to embed risk management into the culture of the IJB.

The IJB Chief Financial Officer is responsible for the proper administration of all aspects of the Partnership's financial affairs including ensuring appropriate advice is given to the Board on all financial matters. The IJB CFO post was filled on an interim secondment basis until August 2020; since then the role has been fulfilled jointly by the NHS Borders and Scottish Borders Council Directors of Finance.

The IJB's system of internal financial control is dependent upon on the framework of financial regulations, regular management information, administrative procedures (including segregation of

duties), management supervision and systems of delegation and accountability within the partner organisations.

Quarterly Revenue Budget Monitoring reports are presented to the Board for monitoring and control purposes including the annual outturn. Financial reporting for the partnership requires the application of appropriate financial regulations, codes of financial practice, and reporting standards.

The IJB also relies upon the partners for:

- Counter fraud and corruption arrangements; and
- Management of data in accordance with applicable legislation.

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

The Chief Officer Audit & Risk of Scottish Borders Council is the IJB's Chief Internal Auditor whose role is to provide an independent and objective annual opinion on the effectiveness of internal control, risk management and governance. Provision of Internal Audit services by the Council's Internal Audit team is carried out in conformance with the Public Sector Internal Audit Standards.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The IJB Audit Committee is integral to overseeing assurance and monitoring improvements in internal control and governance.

Performance Reports were presented to the Strategic Planning Group and to the Board for the purposes of monitoring and control. An Annual Performance Report for 2020/21 is being prepared to outline progress against strategic objectives over the year.

The Annual Accounts and Report for 2020/21 setting out the financial position in accordance with relevant accounting regulations is also being prepared.

Review of Adequacy and Effectiveness

The IJB is required to conduct, at least annually, a review of the effectiveness of its governance framework.

The review was informed by: an annual self-assessment against the IJB's Local Code of Corporate Governance consistent with the principles of the CIPFA/SOLACE Framework (2016), carried out by IJB Internal Audit; IJB Internal Audit reports; IJB External Audit reports; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Borders and Scottish Borders Council) Internal Audit and External Audit reports.

Improvement Areas of Governance

The 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 Recruit on a permanent basis to the IJB Chief Financial Officer post.
- 2 Improve the clarity and transparency of Directions from the IJB to partners.
- 3 Develop the Workforce Planning Framework to align to Strategic Commissioning Plan.
- 4 Ensure regular updates on progress against the MSG Self Evaluation HSCP Action Plan and Best Value Areas of Improvement.

The implementation of these actions to enhance the governance arrangements in 2021/22 will be driven and monitored by the IJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2021/22 is designed to test improvements in governance arrangements.

Conclusion and Opinion on Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements and system of internal control, while recognising that improvements are required to fully demonstrate compliance with the Local Code in order for the IJB to fully meet its principal objectives. Systems are in place to regularly review and improve governance arrangements and the system of internal control.

Rob McCulloch-Graham
IJB Chief Officer
mm 2021

Cllr David Parker
Chair of the IJB
mm 2021

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*Scottish Borders Health & Social Care
Integration Joint Board Audit Committee*



Meeting Date: 14 June 2021

Report By	Chief Financial Officer
Contact	Paul McMenamin, NHS Borders, Deputy Director of Finance / Finance Business Partner
Telephone:	01896 827750
SCOTTISH BORDERS INTEGRATION JOINT BOARD ANNUAL ACCOUNTS 2020/21 (UNAUDITED)	
Purpose of Report:	The purpose of this report is to present, for approval, the draft unaudited Annual Accounts of the Integration Joint Board (IJB) for the period to the 31 March 2021, complying with its statutory responsibility to produce financial statements in respect of financial year 2020/21.
Recommendations:	The Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> a) note the 2020/21 Annual Accounts (unaudited); and b) approve their submission to the External Auditor (Audit Scotland) for their annual audit review.
Personnel:	There are no personnel implications resulting from this report.
Carers:	There is no impact on carers resulting from this report.
Equalities:	There is no impact on the partnership's equality and diversity requirements arising from this report.
Financial:	The accounts and their underlying supporting records contain all financial information for the partnership's activities to 31st March 2020.
Legal:	The requirement for the Integration Joint Board to produce Annual Accounts for 2020/21 is contained within Regulation 5 (1) of the Local Authority Accounts (Scotland) Regulations 2014.
Risk Implications:	There are no risks directly arising from this report. The accounts remain unaudited. When audited, they will be reported to the IJB Audit Committee following update for any matters arising.

Background

- 1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the Health and Social Care Partnership Integration Joint Board (IJB) is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973. This requires the IJB to prepare and publish a set of Annual Accounts at the end of each financial year.
- 1.2 These accounts must be reviewed by an Independent Auditor who reports their findings to the IJB Audit Committee. The report will present the Independent Auditors opinion on the accounts and bring any matters of concern to the Audit Committee. The independent Auditor of the Scottish Border's IJB is Audit Scotland.
- 1.3 Integration Joint Board accounts normally require preparation in draft by 30 June each financial year, subject to audit, following which they require approval by the IJB Audit Committee by 30 September. They also require noting by the IJB itself following this approval by the Audit Committee.
- 1.4 IJB's are specified in legislation as 'section 106' bodies under the terms of the Local Government (Scotland) Act 1973 as amended and as such they are expected to prepare their financial statements in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.

2020/21 Draft Annual Accounts (unaudited)

- 2.1 The Scottish Borders Health and Social Care Partnership Integration Joint Board was established on 06 February 2016. The 2020/21 accounts therefore represent the financial activity pertaining to its fifth year of operations.
- 2.2 Under the Code of Practice on Accounting for Local Authorities in the United Kingdom, the IJB accounts must meet a number of specific reporting requirements. These include:
 - Management Commentary
 - Remuneration Report
 - Statement of Responsibilities
 - Annual Governance Statement
 - Independent Auditor's Report
 - Statement of Accounts
 - Disclosure Notes to the Accounts
- 2.3 The Partnership's governance arrangements determine who is responsible for signing the financial statements each year, following specification in Regulations under s.105 of the Local Government (Scotland) Act 1973. This is provided for within the Annual Accounts and consists of the IJB Chair, Chief Officer and Chief Financial Officer where relevant. The accounts also require signing by the Independent Auditor by the same date.
- 2.4 Following approval by the Audit Committee, the draft accounts and all supporting papers will be released to the External Auditor and will be subject to a process of independent audit involving the supply of supplementary evidence, explanatory information and incorporation of suggested presentational amendments. Following this, a final version incorporating the External Auditor's audit opinion will be agreed.
- 2.5 The draft unaudited accounts are included as [Appendix 1](#) to this report. When the external audit is complete, a final audited set of accounts will be reported to the Integration Joint Board Audit Committee for scrutiny in September 2021 prior to their presentation to the IJB for approval.



Scottish Borders
Health and Social Care
PARTNERSHIP

Scottish Borders Integration Joint Board

ANNUAL ACCOUNTS 2020/21

**For the Financial Year
01 April 2020 to 31 March 2021**

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Management Commentary

Purpose

Welcome to the Annual Accounts for the Scottish Borders Health and Social Care Partnership Integration Joint Board for the year ended 31 March 2021. The purpose of the Management Commentary is to inform all users of the 2020/21 Statement of Accounts and help them assess how the Integration Joint Board (IJB) has performed in fulfilling its duties over the course of the financial year.

The Scottish Borders

The Scottish Borders covers an area of 473,614 hectares (1,827 square miles) and is located in the South East of Scotland. It is situated between Northumberland to the South, Edinburgh and the Lothians to the North, and Dumfries and Galloway to the West.

The Scottish Borders is a rural area which in 2019, had a population of 115,510. The population has remained stable for a number of years in total although has had marginal increases across its 5 localities during this time.

Locality	Area name	All ages	0-15	16-64	65+	% 0-15	% 16-64	% 65+
Berwickshire	Ayton	579	86	314	179	14.90	54.20	30.90
	Chirnside	1,447	324	808	315	22.00	56.00	22.00
	Coldingham	479	61	279	139	12.70	58.20	29.00
	Coldstream	1,856	233	968	655	12.10	52.00	35.90
	Duns	2,787	472	1,612	703	16.60	58.00	25.40
	Eyemouth	3,500	715	1,917	868	20.40	54.60	25.00
	Greenlaw	623	73	399	151	11.70	64.00	24.20
	Rural Berwickshire	9,649	1,401	5,780	2,468	14.30	60.30	25.40
	Berwickshire total	20,920	3,365	12,077	5,478	15.90	57.60	26.50
Cheviot	Jedburgh	3,826	649	2,205	972	16.70	57.50	25.70
	Kelso	6,843	1,044	3,786	2,013	14.90	55.50	29.60
	St Boswells	1,430	241	737	452	16.90	51.40	31.70
	Yetholm	616	79	301	236	12.80	48.90	38.30
	Rural Cheviot	6,598	908	3,787	1,903	13.80	57.40	28.80
	Cheviot total	19,313	2,921	10,816	5,576	15.10	55.90	29.10
Eildon	Earlston	1,713	280	1,013	420	16.80	59.30	23.90
	Galashiels	12,622	1,948	8,132	2,542	15.30	64.30	20.40
	Lauder	1,813	437	1,012	364	24.00	55.70	20.30
	Melrose	2,500	415	1,438	647	15.60	56.70	27.70
	Newtown St Boswells	1,497	254	938	305	16.80	62.50	20.70
	Selkirk	5,503	851	3,129	1,523	15.10	57.00	27.90
	Stow	706	125	451	130	17.70	63.90	18.40
	Tweedbank	1,994	341	1,269	384	16.80	62.70	20.50
	Rural Eildon	8,477	1,521	5,001	1,955	16.80	58.40	24.80
	Eildon total	36,825	6,172	22,383	8,270	17.20	60.10	22.70
Teviot and Liddesdale	Denholm	706	89	392	225	12.60	55.50	31.90
	Hawick	13,857	2,391	8,151	3,315	17.30	58.60	24.10
	Newcastleton	796	119	430	247	14.90	54.00	31.00
	Rural Teviot and Liddesdale	2,581	326	1,496	759	12.60	57.80	29.60
	Teviot and Liddesdale total	17,940	2,925	10,469	4,546	16.30	58.10	25.50
Tweeddale	Cardrona	882	204	538	140	23.10	61.00	15.90
	Innerleithen	3,171	528	1,850	793	16.90	58.50	24.50
	Peebles	8,577	1,480	4,874	2,223	17.20	56.90	25.90
	Walkerburn	700	100	442	158	14.30	63.10	22.60
	Rural Tweeddale	5,372	945	3,372	1,055	17.40	62.70	19.80
	Tweeddale total	20,512	3,640	12,126	4,746	17.60	59.10	23.20
Total	Scotland total	5,463,300	921,397	3,497,758	1,044,145	16.90	64.00	19.10
	Scottish Borders total	115,510	19,023	67,871	28,616	16.50	58.80	24.80

Whilst the size of the Scottish Borders population puts it in the medium sized category it has a large land area and a sparse population density which presents its own challenges in providing health and social care.

58.80% of the population of the Scottish Borders is aged between 16 and 64 years of age. This is against a national average of 64.00%. Conversely, 24.80% of its population is over 65 years of age, significantly above the national average of 19.10%.

Whilst the overall population of the Scottish Borders may not be projected to increase significantly over the coming years, the average age of the Scottish Borders population is expected to continue to increase (i.e.) as the current older working-age cohort become pensioners with an increased life expectancy, there is expected to be fewer younger people to replace them. The Borders 16-24 age group is projected to further decrease by over 10% before 2026), and the 75+ age group is projected to increase by almost 30% over the same period.

These demographic factors therefore have a unique and challenging impact on the models of health and social care provision in the Scottish Borders and their costs and directly drive the strategic objectives, transformation requirements, planned shifts in the balance of care and resource realignment targeted by the Health and Social Care Partnership.

Role and Remit of the Integration Joint Board

On 6th February 2016, Ministerial approval was given under the Joint Working Public Bodies (Scotland) Act 2014 to establish The Scottish Borders Integration Joint Board (IJB) between NHS Borders and Scottish Borders Council. The IJB is a separate legal entity set up to integrate the planning and commissioning of health and social care services in the Scottish Borders.

The operation of the IJB is governed by its Scheme of Integration which sets out the body corporate model of integration within the Scottish Borders and details the functions delegated to it by NHS Borders and Scottish Borders Council. These delegated functions include:

ADULT SOCIAL CARE SERVICES*	ACUTE HEALTH SERVICES (PROVIDED IN A HOSPITAL)*	COMMUNITY HEALTH SERVICES*
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Accident and Emergency; • Inpatient hospital services in these specialties: <ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> • 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, and those marked with an asterisk (),also include services for children

The IJB has a responsibility for the strategic planning of hospital services most commonly associated with the emergency / unscheduled care pathway. As such, the IJB has control of the resources supporting those associated hospital functions retained by NHS Borders and set-aside for the population of the Scottish Borders: the “Set-Aside Budget”. They are shown in the middle column above.

Strategic Plan

The IJB Strategic Plan 2018 – 2022 sets out what the IJB wants to achieve through improved health and well-being for Borders residents.

The Strategic Plan also describes priorities and actions being taken forward, including shifting the balance towards more locality-based health and social care services and outlines the performance measures used to assess the progress we are making.

The Strategic Plan is due to be refreshed in 2022, but it is anticipated that the strategic objectives will remain broadly unchanged. Our 3 Strategic Objectives focus on prevention, flow and community care:

- We will improve the health of the population and reduce the number of hospital admissions;
- We will improve the flow of patients into, through and out of hospital;
- We will improve the capacity within the community for people who have been in receipt of health and social care services to better manage their own conditions and support those who care for them.

A number of key principles are outlined within the Strategic Plan which underpin all three high level objectives:

- Prevention and early intervention;
- Accessible services;
- Care close to home;
- Delivery of services within an integrated care model;
- Greater choice and control;
- Optimise efficiency and effectiveness;
- Reduce health inequalities.

This high level plan will be supported by the implementation of strategies related to specific themes such as dementia, mental health, carers and locality plans that reflect differing patterns of need across the Scottish Borders.

Our Strategic Plan and 3 Strategic Objectives are underpinned by a Strategic Implementation Plan (SIP) which sets out the detail and timescales for the range of projects contributing towards the strategic objectives. The SIP has been extensively developed throughout the year and is set out under the following 10 prioritised workstreams:

- Carers Support Services
- Localities Operations
- Mental Health Provision
- Older People’s Pathway
- Technological Support and Enabled Care
- Primary Care Improvement Plan

- Learning and Physical Disabilities Provision
- Joint Capital Planning
- Commissioning of Services
- Workforce Support and Provision

INTEGRATION LEGISLATION		
NATIONAL OUTCOMES	STRATEGIC OBJECTIVES	PRIORITY WORKSTREAM
Outcome 1: people are able to look after and improve their own health and wellbeing and live in good health for longer	We will improve the health of the population and reduce the number of hospital admissions How <ul style="list-style-type: none"> • By supporting individuals to improve their health • By improving the range and quality of community based services and reducing demand for hospital care • Ensuring appropriate supply of good quality and suitable housing Links National Outcomes: 1,2,3,5 SIP Workstream: 5,10	1. Carer Support Services
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		2. Locality Operations
Outcome 3: People who use health and social care services have positive experiences of those services, and have their dignity respected		3. Older People's Pathway
Outcome 4: Health and social care services are centered on helping to maintain or improve the quality of life of people who use those services	We will improve the flow of patients into, through and out of hospital How <ul style="list-style-type: none"> • By reducing the time that people are delayed in hospital • By improving care/patient pathways to ensure a more coordinated, timely and person centered experience/approach • By ensuring people have a greater choice of different housing options which meet their long-term housing, care and support needs Links National Outcomes: 3,4,5,7 SIP Workstream: 3, 8,9	4. Technology
Outcome 5: health and social care services contribute to reducing health inequalities		5. Primary Care Improvement Plan
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 role on their own health and wellbeing		6. Mental Health provision
Outcome 7: People using health and social care services are safe from harm		7. Learning & Physical Disability provision
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	We will improve the capacity within the community for people who have been in receipt of health and social care services to better manage their own conditions and support those who care for them. How <ul style="list-style-type: none"> • By supporting people to manage their own conditions • By improving access to health and social care services in local communities • By improving support to carers • By building extra care homes, including amenity and mixed tenure provision Links National Outcomes: ALL SIP Workstream: 1,2,4,6,7	8. Joint Capital Planning
Outcome 9: Resources are used effectively and efficiently in the provision of health and social care services		9. Service Commissioning
		10. Workforce Support and provision

Whilst significant progress has been made towards delivery of the Partnership's Strategic Objectives, the drivers that influenced their creation and the subsequent SIP still remain. As we emerge from the Covid-19 pandemic, prioritising work to meet both short and longer term need

is required and going forward, it is expected that focus will be on work to deliver the following priority areas:

- Reduction in unnecessary admissions and the length of stay within all hospitals; and reduction in the number of delayed hospital discharges.
- Re-commissioning of hospital beds, residential care places and home care provision (*to achieve better outcomes and improve service sustainability, both workforce and financial, for SIP delivery and to achieve a reduction in hospital beds to meet care demand and infection control requirements*).
- Further development of Locality operations, incorporating services from across health and social care, in conjunction with other public sector, and third sector services and organisations.
- Redesign of our Primary Care provision by creating Multi-disciplinary Teams (MDTs) that operate within our localities and respond to our Primary Care Improvement Plan (PCIP).
- Ensuring that our workforce is prepared for both the immediate and longer term future, in terms of training, skill-base and flexible deployment in response and both professional and managerial demand requirements.
- Further development and expansion of Intermediate Care (Step Up / Step Down care, Respite and Reablement provision).
- Expanded use of technology in the delivery of care and health services, in the support of communication with communities and within internal communications and administrative support.
- Further development of our work with carer services and support agencies to enable them to access assistance and resources that support them in their crucial role within the partnership.
- Increase our focus on addressing improvements in population health and reducing health inequalities, particularly in light of the impact of Covid-19.

Operations of the IJB

Covid – 19 Pandemic

The Covid-19 pandemic emerged shortly before the beginning of the 2020/21 financial year resulting in a significant and rapid change in the configuration and provision of health and social care services in the Scottish Borders. The financial impact of these temporary operational changes and recovery from them has been regularly captured and reported to the Scottish Government, together with the financial impact across non-delegated Health and Social Care functions, within a Covid-19 Local Mobilisation and Recovery Plan (LMP) and supporting financial model.

A range of immediate actions were taken to create additional local capacity within health and social care and support resilience during the pandemic and the vast majority of costs relating to the mobilisation and remobilisation plan actions were incurred during the 2020/21 financial year. The Mobilisation and Recovery Plan continues to be updated and refined in line with national guidance and local requirements to ensure that cost estimates, funding requirements and potential unachieved savings are presented to the Scottish Government. This has continued into 2021/22.

All direct, indirect and opportunity costs associated with the IJB functions' response to Covid-19, as contained within the 2020/21 LMP, were fully funded by the Scottish Government by 31 March 2021.

Annual Performance 2020/21

The partnership's Annual Performance Report (APR) is normally published by 31st July of each year. As a result of capacity being redirected from across the Partnership to deliver its Covid-19 response, public authorities under the Coronavirus (Scotland) Act 2020 have been granted flexibility to delay the production of the Annual Performance Report until 31 November 2021. At the time of production of unaudited annual accounts (by 30 June 2021), the extent to which the Scottish Borders Health and Social Care Partnership will exercise this flexibility, together with the content of the 2020/21 APR, has not yet been agreed.

The APR provides a comprehensive summary of the Partnership's financial performance and its performance against the Local and National Integration Indicators identified by the IJB and the Scottish Government.

The APR also reports on delivery of the strategic objectives, highlighting projects that have been delivered under each objective.

Spotlight Areas

1. **Community Assistance Hubs:** the establishment, operation and benefit of these
2. **Home Care, Residential Care & Acute Care:** how operationally we adapted and flexed to meet the demands of the pandemic
3. **Workforce:** how the workforce was deployed throughout the pandemic, particularly staff being deployed and/or volunteering for unfamiliar roles

Historically, a key focus for the Partnership has been delivering its joint programme of transformation to ensure that it can successfully address challenges and achieve the Partnership's objectives, in to ensure the best possible health and wellbeing for our communities. In this regard, at the end of 2020/21, the Partnership agreed to mainstream the majority of transformational activity and new services which it has implemented through the creation of a permanently recurring budget. Further tests to change in future will no longer be funded by a non-recurring Transformation Budget but will instead be via targeted reinvestment of efficiency savings delivered across delegated functions.

The last financial year coincided with the Covid-19 pandemic. A number of key opportunities have presented themselves throughout the pandemic however, which have enabled progression against Strategic Objectives by the Health and Social Care Partnership. A significant opportunity has been the collaborative working across the partnership. The pandemic created new ways of working across health and social care which quickly became well established such as the introduction of models of provision whereby health professionals including District Nursing and GPs quickly implemented professional and resourcing support to care homes experiencing virus outbreaks. This also extended across Social Care where internal Social Care staff supported external residential care homes and homecare services with issues relating to Covid-19.

A key area of development has been the improved relationships between the partnership and local providers, including private organisations and the 3rd sector and where already in place, a real strengthening of existing relationships was experienced through the crisis. Key examples of groups created were the Strategic Care Home Provider Group and the Strategic Care Home Oversight Group through online forums such as Microsoft Teams. Already established groups such as the Homecare Forum met more frequently and focussed on delivery within the pandemic ensuring visits were risk assessed in a consistent way and through the introduction of remote visits where possible using resources in the most efficient way.

Additionally, mechanisms were set up and shared with providers to enable them to access funds to claim back excess Covid-19 related costs, advice and support. Significant developments in the scope of the Community Care Reviewing Team (CCRT) and its role were developed over the

last year also the team played a pivotal role in ensuring robust guidance to care providers was provided quickly, regular and frequently and that supportive communications with providers, including a weekly call around, was in place. At the start of the pandemic information was gathered from all care providers through CCRT and the social care Contracts Team which allowed a quick and flexible response to issues arising, prior to the creating of the SG portal.

NHS Borders created a Community Infection Control Advice Service CICAS which worked collaboratively with CCRT to provide guidance around testing and infection. The partnership also created local PPE hubs for all providers which worked with all providers to support the provision of PPE and support and guidance. In addition a localities model was created at the outset of COVID which saw health and social care professionals coming together as multi-disciplinary teams to respond to clients needs on the ground as they arose.

Residential care homes were provided with technology, including tablets, to enable clients to keep in touch with their loved ones and as part of the Council digital transformation agenda, a programme called Inspire Care was rolled out, which is focussed on digital engagement for all care home residents. Whilst this is at an early stage, it is already enabling support for cognitive social interaction and improved wellbeing.

Finally, a number of staff from other non-delegated health board and local authority functions and other organisations volunteered to work with adult social care to provide support during the times when they were not able to undertake their substantive role. A number of these staff have now decided to remain working in the care profession as we emerge from the pandemic.

Going forward, the Partnership plans to further evolve into a commissioning organisation in order to enhance the shift in the balance of care. It is expected that the use of formal directions from the IJB to delegating partners, which has been limited to date, will increase significantly as it works to implement a range of new care functions and enhance existing infrastructure across care pathways including remodelling care provision, in particular residential care and care at home.

The Partnership continues to review performance, identify strengths and areas for improvement and work to deliver continuous improvement in its governance, operations and performance. A quarterly performance reporting scorecard has been developed for the IJB, in line with the themes defined by the Ministerial Strategy Group. In addition to these themes, the scorecard allows for the reporting on more localised measures which have a primary, community or social care focus.

A full copy of the Annual Performance Report 2020/21, once available, can be requested by contacting [Mr Robert McCulloch-Graham, IJB Chief Officer, Scottish Borders Council HQ, Newtown St Boswells, Melrose. TD6 0SA](#) or by telephoning [01835 824000](tel:01835824000).

Key Partnership Decisions 2020/21

In addition to regular, frequent and scheduled formal meetings to transact its business the IJB, each year, holds a number of member and officer development sessions. This helps enhance its understanding of the complexities and challenges facing the services it commissions and informs the collective direction of travel to deliver its strategic priorities.

Key aspects of the IJB's business include a focus on governance and operating arrangements, strategic, operational and financial planning and monitoring of its performance and resources.

August 2020

- Approval of the new IJB Risk Management Policy
- Approval of the refreshed IJB Risk Management Strategy

- Approval of a revised Alcohol and Drugs Strategic Plan
- Agreement of transfer of resources between Primary Care Improvement Plan (PCIP) workstreams within the total resource allocation for the programme in order to develop a Borders wide Primary Care Mental Health Service
- Direction of actions to address the challenges and to mitigate risk identified in the regular Quarterly Performance Report
- Agreement of revised priorities for the IJB set out in the Strategic Implementation plan (SIP) in light of lessons learned from experiences within services in their response to the pandemic

September 2020

- Approval of the Annual Performance Report (APR) for publication

October 2020

- Approval of the 2019/20 Annual Accounts

December 2020

- Agreement of the IJB Business Plan and Meeting Cycle for 2021
- Approval of the appointment of Linda Jackson as a non-voting member of the Integration Joint Board of Scottish Borders
- Support of changes in reporting lines within the senior management team, in order to strengthen the Strategic Commissioning function of the Integration Joint Board
- Direction of actions to address challenges and to mitigate risk identified in the regular Quarterly Performance Report

February 2021

- Approval of Strategic Planning Group Terms of Reference and new membership
- Approval of extension of existing Strategic Commissioning Plan by 12 months to March 2022
- Approved all recommendations pertaining to the Evaluation of the Health and Social Care Partnership Discharge Programme

March 2021

- Approval of the 2021/22 Health and Social Care Partnership Financial Plan

Locality Planning

Locality planning is a key tool in delivery of the change required to meet new and existing demands in the Borders. The IJB has developed locality arrangements, where professionals, communities and individuals can inform locality planning and redesign of services to meet local need in the best way. This is achieved through Locality Working Groups in each of the five localities of:

- Berwickshire
- Cheviot
- Eildon
- Teviot & Liddesdale
- Tweeddale.

The IJB supported 5 Locality Working Groups which developed local plans and support the creation of the initial Strategic Plan for the Health and Social Care Partnership. Further meetings were held in January of 2020 and it was decided through the Strategic Planning Group to review how the partnership engaged with communities. This work was halted by the Pandemic, but has now started within 2021 utilising Microsoft TEAMS as a platform.

Across the Scottish Borders to date, there has been an extraordinary willingness of communities to get involved in providing support to others. In March of this year, as a joined up response to Covid-19, the Health and Social Care Partnership put established Community Assistance Hubs within each of the 5 localities across the Borders.

The Community Assistance Hubs have provided a single point of contact in communities. They have assisted with the distribution of PPE, food and medication and have been involved in coordinating the response by local community groups and volunteers. The benefits of the hubs for service users include quick, flexible solutions being implemented, improved relationships with clients, greater access to support that was needed via Community Groups, Third Sector, Partners and statutory services, right services being provided to individuals in need at the right time and improved joined up working with local resilience groups, Community Learning & Development services, those with community capacity and development roles, volunteers and key partners including the Third Sector and Registered Social Landlords.

The aim is for the Community Assistance Hubs to remain in place, and be developed along with the What Matters Hubs to provide wide ranging support in local communities. The single point of contact within communities would remain, triaging of calls would continue, but sitting behind this would be multi-disciplinary teams who could look at an individual/families support as a whole.

Post Covid-19, the Partnership aims to develop physical hubs (in a similar format to the What Matters hubs) where individuals and families can drop in for support. These physical hubs will be supported by the Third Sector, Volunteers, Citizens Advice Scotland and other partners who would act as gatekeepers, use an asset based conversation (effective conversation model) to triage and signpost to community support where possible. If more formal support is required the MDT could assist. This approach has been agreed in principle by NHS Borders, Scottish Borders Council, the Community Planning Partnership and other key partners. Work is now underway to define and develop a core model which would be implemented across localities which will then have support to develop this in partnership with their communities and expand the model to meet specific local needs and demands.

Governance

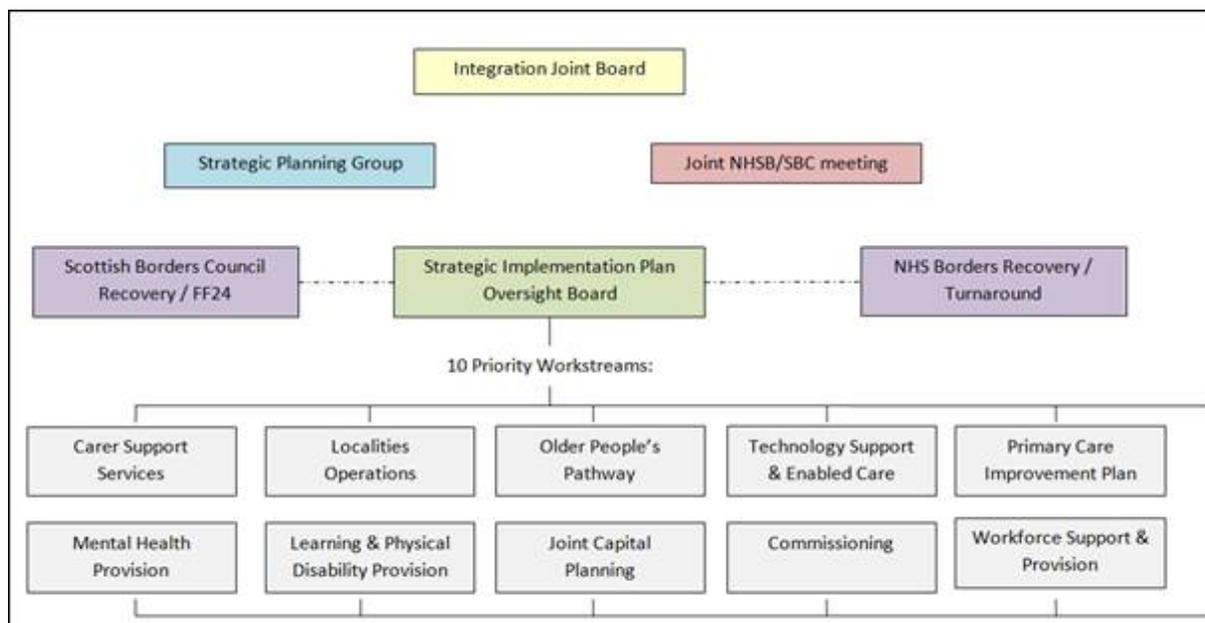
The SIP, published in September 2019, outlined a comprehensive governance and decision making arrangement which included all stakeholders and explained the required routes for decision making. The structure served its purpose at that time within the partnership, which required shared ownership throughout, providing full transparency across all parties.

The Covid-19 pandemic has changed these governance requirements. Our Covid-19 response highlights that the pandemic required a rapid and shared response and through necessity, the governance arrangements were replaced by new joint groups and new staff teams operating across different employers, in different venues with many new clients with new needs. Historic decision-making groups were therefore disbanded, new ones formed, disbanded and reformed again. Authority was delegated, and new local operations rapidly put in place. Communities themselves were mobilised, new provision and services created overnight in some cases and a new relationship with the citizens of the Borders began to be realised.

Although we have yet to exit the pandemic, the above has served us well and avoided fears of overflowing hospitals, and an inability to provide care and support for those affected. Pandemic aside, the lessons-learned from the Covid-19 response need to be applied to how we plan and deliver services, how we build relationships and how we utilise the collective resource we have. This will become increasingly important when coupled with ever increasing health and social care financial and economic pressures.

The SIP therefore needs more agile governance, built on trust between agencies, in a shared endeavour between us all, with a willingness to accept risk, learn from mistakes, and continually adapt together. As a direct result therefore, the new governance arrangements are significantly stripped down, and have a greater reliance on the delegation of responsibility.

The overall governance structure of the Health and Social Care Partnership, including how it has structured the 10 priority workstreams of its Strategic Implementation Plan, together with its interface with NHS Borders and Scottish Borders Council with regard to Transformation and the delivery of planned efficiency savings, is demonstrated by the diagram below:



The Strategic Implementation Plan Delivery Board is a multi-disciplinary team comprised of professional key leaders across Scottish Borders Council (SBC) and NHS Borders (NHSB) formed to support the delivery of the Strategic Implementation Plan of the Integration Joint Board. In doing so it will also ensure the delivery of NHS Borders objectives in relation to service transformation and financial turnaround as well as relevant elements of Scottish Borders Council’s Fit for 2024 programme.

The role of the SIP Delivery Board is to deliver on the work streams identified within the SIP through integrated working across the whole of the Health and Social Care Partnership and will necessarily be dynamic, changing and adapting as required. The number, nature and content of the workstreams will also change as priorities evolve. The membership for the workstreams will evolve and will be determined by the SIP Delivery Board in line with partnership governance.

A number of workstream/project groups and reference groups are already in operation. These have reformed within the above governance structure, taking on the role of one of the workstreams. Specialist input, from colleagues who are not standing members is required within the SIP Delivery Board and within each of the priority workstreams. Specialist input is added as and when required in order to support the decision making process. It is now the responsibility of the SIP Delivery Board, based on the work of its associated workstreams, to provide the detail for individual Directions that may require to be developed and recommended to the Strategic Planning Group of the IJB and ultimately to the IJB itself, for implementation across the partnership.

The work of the SIP Delivery Board requires to be dynamic and constantly change and adapt. The number, nature and content of the work streams will also change as the priorities evolve. For the present however, these terms of reference outlined here are appropriate for this

time. The terms of reference and membership for the work streams will also evolve but will be determined by the Overview Group in line with partnership governance.

The Strategic Planning Group and the Joint Staff Forum offer advice to the Integration Joint Board whilst the Health and Social Care Leadership Team provide operational support and delivery and progress reporting.

During 2020/21, two further groups, reporting to the Strategic Planning Group were also established, the Strategic Independent Sector Group and an Operational Group.

Financial Position at 31 March 2020

Delegated Budget

For both 2020/21 and 2021/22 financial years, the Health and Social Care Partnership approved its Financial Plan and Budget prior to the 1st April (2021/22 was approved at its meeting of 24th March 2021).

The Partnership reported an under-spend position of **£6.236m** against the Delegated Budget at 31 March 2021. This under-spend related to ring-fenced funding received by NHS Borders and slippage in service developments and cost pressures which have been carried forward to 2021/22. In order to achieve this however, additional allocations from each funding partner were required during the year and at year end to deliver a break even position overall. At the 31 March 2021, the additional allocations made were:

£'000	
Additional Allocations Delegated by Partners at 31 March 2021	
NHS Borders	3,925
Scottish Borders Council	93
	4,018

The reported position across delegated functions is summarised below:

Delegated Functions Total	Base Budget	Revised Budget	Actual Outturn	Outturn Variance
	£'000	£'000	£'000	£'000
Joint Learning Disability Service	20,139	20,612	20,877	(265)
Joint Mental Health Service	18,144	19,471	19,152	319
Joint Alcohol and Drug Service	390	757	757	0
Older People Service	25,195	23,413	23,841	(428)
Physical Disability Service	2,458	2,644	2,646	(2)
Prescribing	23,130	23,132	22,660	472
Generic Services	77,437	87,493	85,371	2,122
NHSB / SBC Additional Contribution	0	4,018	0	4,018
	166,893	181,540	175,304	6,236

During 2020/21 functions delegated to the Partnership experienced a range of budgetary variances. Drivers for this included:

- Increased demand for social care, both residential and at home, as a result of an increased number of older people requiring care and support, particularly in the 75-84 and 85+ age cohorts
- Additional direct costs of mobilisation to deal with the Covid-19 pandemic and subsequent remobilisation
- Additional social care clients transitioning from Children and Families (a service which is not delegated to the IJB) to Adult Health and Social Care services
- Non-delivery of planned Financial Planning savings across both Health and Social care functions delegated to the Partnership, only partly as a result of the Covid-19 pandemic

- A downturn in expenditure levels due to the reduction in or pausing of normal service activity during key periods of 2020/21
- Additional investment requirements as the Partnership strives to deliver its Health and Social Care transformation programme workstreams

Additional funding allocations were made by the Scottish Government during the year to mitigate the net financial pressures above. Additional contributions also required to be made by partners to deliver the reported position. At the end of the financial year, **£0.093m** of corporate support was provided to Health and Social Care functions by Scottish Borders Council and **£3.925m** of additional support was provided by NHS Borders. This additional budget delegated was primarily available as a result of under-spends and additional funding allocations across non-delegated Health and Social Care functions.

Large Hospital Budget Retained and Set-Aside

Legislation sets out that Integration Authorities are responsible for the strategic planning of hospital services most commonly associated with the emergency care pathway along with primary and community health care and social care.

In relation to the Large Hospital Budget Retained by NHS Borders and Set-Aside, an over-spend position has been reported by NHS Borders at 31 March 2021, summarised as:

<i>Set Aside Healthcare Functions</i>	Base Budget £'000	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Accident & Emergency	2,830	3,132	3,634	(502)
Medicine & Long-Term Conditions	6,230	7,099	6,401	698
Medicine of the Elderly	15,660	16,385	16,819	(434)
Planned Savings & Actions	(1,090)	(1,090)	0	(1,090)
	23,630	25,526	26,854	(1,328)

In terms of the Health and Social Care Partnership, the IJB directed **£25.526m** to NHS Borders in 2020/21. During the financial year, NHS Borders spent **£26.854m**, resulting in an over-spend of **(£1.328m)** within these Health Board functions. The over-spend position remains the responsibility of NHS Borders and as a result, has been absorbed within the overall health board financial position at outturn. The Health and Social Care partnership therefore is reporting a breakeven position at outturn summarised as:

<i>Set Aside Healthcare Functions</i>	Base Budget £'000	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
IJB-directed Set-Aside Functions	23,630	25,526	25,526	0
	23,630	25,526	25,526	0

Other Resources

Transformation Fund

Reported within the 2018/19 accounts of the Health and Social Care Partnership, the Integrated Care Funding (ICF) stream ended on 31 March 2017/18. This was a 3-year funding allocation made by the Scottish Government to support partnerships to begin a programme of

transformation of health and social care services. Each year, **£2.130m** was allocated to the Partnership and was committed across a range of transformation workstreams.

From 1 April 2018, ICF funding was baselined within the annual NHS funding allocation and it was agreed that the annual sum of **£2.130m** would be delegated to the Health and Social Care Partnership as the IJB Transformation Fund. In 2020/21, this was uplifted by 3% to **£2.194m**.

During 2020/21, expenditure on the Transformation Fund was **£1.876m**. A summary of the funding and expenditure profile is detailed below:

	Balance b/f from 2019/20 £'000	2020/21 Allocation £'000	2019/20 Available Funding £'000	2019/20 Actual Expenditure £'000	2019/20 Funds c/f £'000
Transformation Fund	396	2,194	2,590	(1,876)	714

During 2019/20, the Fund was directed to support a range of initiatives, some of which were newly implemented and some which continued from when they were funded via ICF. These included:

- Matching Unit/ STRATA
- Garden View Specialist Dementia Unit
- Waverley Transitional Care Unit
- Shared Lives
- Home First
- Independent Sector Partnership Representation.

From 2021/22, the Transformation Fund ceases to exist and the budget has been base-lined to support the recurring provision of these new health and social care services. Only the residual balance above remains for non-recurring use going forward.

Former Older People's Change Fund

Prior to the establishment of the Health and Social Care Partnership, NHS Borders, Scottish Borders Council and their third and fourth sector partners worked together to deliver the Reshaping Care Programme, funded by the Scottish Government Change Fund allocation over 4 years to March 2015. This programme is now complete and at 31 March 2020, a balance of **£0.178m** remained on the fund. During 2020/21, a further **£0.056m** was utilised to provide ongoing Older People's services formerly created by the Change Fund leaving a residual balance on the original funding allocation of **£0.122m** remaining for carry forward to 2021/22 for use by the Partnership.

	Balance b/f from 2019/20 £'000	2020/21 Actual Expenditure £'000	Balance c/f to 2021/22 £'000
Older People's Change Fund	178	(56)	122

Total funds carried forward to 2021/22 therefore are:

	£'000
Ring-fenced funding carried forward in Delegated Functions	9,404
Transformation Fund	714
Older People's Change Fund	122
	10,240

Financial Outlook

The IJB continues to face significant financial challenges and both of its partners are facing challenges in meeting the demand for health and social care services within the financial quantum available. This, going forward, will have a direct impact on the levels of funding provided to the IJB. Within the IJB, the key barriers to managing the financial position arises from demographic pressures of demand, together with capacity to plan and deliver required levels of transformation and efficiency savings. The significant growth anticipated in the number of older people and their need for suitable services, requires innovative solutions to allow services to be provided within funding levels available and, the ability of the partnership to transform services to help meet this demand.

The partnership faced a number of risks which required management and mitigation in 2020/21. Going forward, these continue to be prevalent:

- the 2021/22 Financial Plan does not currently address all historic and existing pressures
- the Partnership's Delegated and Set-Aside Budgets remain under considerable pressure in 2021/22 as a result of the additional spend requirement of responding to the Covid-19 situation during the first half of the financial year, the additional costs of remobilisation and recovery, slippage in Transformation Programme workstreams and the inability across partner organisations to deliver required efficiency savings on which the Financial Plan is predicated.
- in respect of planned savings, there remains a significant shortfall between the level of planned efficiency savings required and those identified, particularly from a NHS Borders perspective. This is despite a non-recurring freeze on the allocation of any further efficiency savings requirement to delegated functions by NHS Borders beyond those brought forward from 2020/21.
- at the time of preparation of the 2020/21 unaudited accounts, the level of funding allocations by the Scottish Government for Covid-19 activity beyond that which is nationally directed, remains unclear
- the level of some Scottish Government non-Covid-19 funding allocations to delegated functions has not yet been confirmed
- the Partnership has now mainstreamed the services previously provided under its previous Transformation Programme by permanently base-lining its supporting recurring budget. In turn, this means that any future transformation activity that the Partnership wishes to undertake will require additional supporting resources to now be identified beyond the small level of historic resource carried forward
- with pressures across all health board and council functions as a result of the Covid-19 pandemic, both delegated and non-delegated, there is a risk going forward that if these are not funded by the Scottish Government in full, neither partner will be in a position to make additional contributions to top-up the budget delegated to the IJB or Set-Aside as it has in previous financial years. Accordingly, the Partnership may be at risk of over-spend, without mitigating solutions, at the end of the financial year

- the financial challenges facing NHS Borders is expected to result in a requirement for further brokerage in 2021/22 to enable it to meet its statutory obligations, including funding any over-spend incurred by the IJB
- the partnership's Strategic Plan covers the 4 years from 2018/19 to 2021/22. Similarly, its Strategic Implementation Plan runs from 2019/20-2023/24. Both NHS Borders and Scottish Borders Council currently receive only a 1-year financial settlement
- prescribing remains a high risk area due to the forecast level of spend and volatility of price and supply. Whilst there was a significant downturn in the level of prescribing and resultant expenditure levels in 2020/21 due to Covid-19, as primary care services remobilise, this trend is not expected to continue
- there is an ongoing risk in relation to the sustainability of the workforce both internally and with our external care partners
- further cost pressures within core operational services may emerge during 2021/22 that are not yet projected or provided for within either partner's financial plans, nor the resources delegated to the IJB
- the risk of loss of service provision as a result of market failure would result in additional costs as alternative supply is transitioned.

Going forward, delivering financial balance will require the H&SC Partnership to increase its focus on identifying and delivering a greater level of savings in year and on a permanently recurring basis. Monitoring of existing actions to mitigate emerging pressures will further support a reduction in spend required to address the pressures it experienced during 2020/21 and previous financial years. In setting its strategic agenda for the medium-term and planning the outcomes and new health and care services, the Health and Social Care partnership must target financial efficiency benefits and strive for overall affordability reducing in time, the requirement for Scottish Government brokerage.

Risk, Uncertainty and Change

Management of risk and in particular, Financial Risk is one of the key responsibilities of the Board. Strategic and Operational Risk Registers for the Partnership are in place. These are reviewed regularly and frequently by the Integration Joint Board and include actions to ensure that the risks outlined above are mitigated and managed appropriately. Specific prevalent risks are outlined above and within the Partnership's Risk Register, these are categorised across the following strategic themes:

- Lack of change in culture to partnership approach
- Unclear direction by the IJB to utilise resources efficiently and effectively
- Insufficient future provider market for care to meet increasing demand
- Lack of partnership approach to engagement and consultation
- Slippage in delivery by partners of efficiency savings and the ambitious programme to transform to new models of care
- Insufficient workforce skills and capacity to meet demand and transformed service delivery
- Significant supplier failure to provide services
- Reputational damage and financial loss if someone comes to harm
- Lack of resources or inadequate governance to implement change and transformation programmes and projects
- Insufficient oversight of information governance
- Financial, space and staffing capacity to delivery required levels of service following the Covid-19 pandemic

In addition to the above, formal confirmation that costs incurred by the Partnership in 2021/22 responding to the Covid-19 pandemic, subsequent remobilisation and vaccination programmes will be funded by the Scottish Government has yet to be received.

On 1 September 2020 the First Minister announced that there would be an Independent Review of Adult Social Care in Scotland as part of the Programme for Government. The Review was chaired by Derek Feeley, a former Scottish Government Director General for Health and Social Care and Chief Executive of NHS Scotland. The principal aim of the review was to recommend improvements to adult social care in Scotland, primarily in terms of the outcomes achieved by and with people who use services, their carers and families, and the experience of people who work in adult social care. The Independent Review concluded at the end of January 2021 and its report, was published on 3 February 2021 which contained an extensive range of recommendations. Timely implementation of all the required provisions of the report and associated directions by the Scottish Government will therefore have a significant impact on the Health and Social Care Partnership both financially and otherwise although at the current time to what extent, remains unclear.

The Health and Social Care Partnership Integration Joint Board will consider its updated Risk Management Strategy in July 2021.

The Integration Joint Board

During 2020/21, the IJB was chaired by Cllr David Parker, Convenor of Scottish Borders Council. During the same period the Vice-Chair was Mr Malcolm Dickson, NHS Borders Non-Executive Director. In addition to the Chair and Vice-chair, the IJB Board comprises 4 additional voting members from NHS Borders (Non-Executive Directors) and 4 from Scottish Borders Council (Elected Members).

Name	Nominated By	Additional Information
Cllr David Parker	Scottish Borders Council	Chair (from 01 April 2020)
Mr Malcolm Dickson	NHS Borders	Vice-Chair (from 01 April 2020)
Dr Stephen Mather	NHS Borders	01 April 2020 to 31 August 2020
Ms Sonya Lam	NHS Borders	01 September 2020 to 31 March 2021
Mrs Karen Hamilton	NHS Borders	Mr Tristram Taylor was on special leave until 31 August 2020. During this time he was replaced by Ms Sonya Lam from 04 June 2020.
Mr John McLaren	NHS Borders	
Mr Tristram Taylor	NHS Borders	
Cllr Shona Haslam	Scottish Borders Council	
Cllr Tom Weatherston	Scottish Borders Council	
Cllr Elaine Thornton-Nicol	Scottish Borders Council	
Cllr John Greenwell	Scottish Borders Council	

The Chief Officer of the Integration Joint Board is Mr Rob McCulloch-Graham who has been in post since 2017. The Chief Officer is also a member of the Board.

The post of CFO is also a member of the Board and was undertaken by Mr Michael Porteous on a secondment basis until 02 August 2020 when the secondment ended. The CFO post currently remains vacant with statutory responsibilities being undertaken on an interim basis by Mr David Robertson, Chief Financial Officer of Scottish Borders Council and Mr Andrew Bone, Director of Finance of NHS Borders. As responsible officer under s95 of the Local Government (Scotland) Act 1973, Mr Robertson has responsibility for signing off the accounts of the Health and Social Care Partnership.

The Board is also constituted by a number of non-voting members. These include a range of officers from across the wider partnership including Scottish Borders Council (e.g. Chief Social Work Officer), NHS Borders (e.g. Medical Director) and representatives of the Third Sector,

Staff, GPs, Carers and Housing sectors. A number of officers across Scottish Borders Council and NHS Borders are also required to be in attendance.

Annual Statement of Accounts

The Integration Joint Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which section 12 of the Local Government in Scotland Act 2003 requires preparation in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

Cllr David Parker
Chair of the IJB
Partnership

Mr Rob McCulloch-Graham
Chief Officer
Officer(s.95) IJB

Mr David Robertson CPFA
Acting Chief Financial H&SC

On behalf of the Integration Joint Board Members and Officers of Scottish Borders Health and Social Care Partnership Integration Joint Board

<Date>

Remuneration Report 2020/21

Introduction

The remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014. These Regulations require various disclosures about the remuneration and pension benefits of specific IJB members and senior employees in respect of earnings and pension benefits.

Remuneration

The term remuneration means gross salary, fees and bonuses, allowances and expenses, and compensation for loss of employment. It excludes pension contributions paid by the Employee. Pension contributions made to a person's pension are disclosed as part of the pension benefits disclosure below.

The information contained in the report is subject to external audit. The explanatory text within the report is reviewed by external auditors to ensure that it is consistent with the financial statements.

Remuneration of Integration Joint Board Members

The voting members of the IJB are appointed through nomination by NHS Borders and Scottish Borders Council. Nomination of the IJB Chair and Vice-Chair posts alternates between an elected member and a Health Board representative every 3 years.

Additional remuneration and expenses paid to IJB members including the Chair, Vice-Chair and other Board members relating to their role on the IJB are detailed below. All IJB Board members are supplied to the IJB at no cost to the Board by their respective organisations.

Expenses 2019/20 £	Name	Post(s) Held	Nominated By	Expenses 2020/21 £
0	Cllr David Parker	Chair	Scottish Borders Council	0 ^{*1}
2,104	Mr Malcolm Dickson	Vice-Chair	NHS Borders	1,214
3,296	Dr Stephen Mather	Member	NHS Borders	728
0	Ms Sonya Lam	Member	NHS Borders	0 ^{*2}
0	Mrs Karen Hamilton	Member	NHS Borders	0
0	Mr John McLaren	Member	NHS Borders	0
0	Mr Tristram Taylor	Member	NHS Borders	0
97	Cllr Shona Haslam	Member	Scottish Borders Council	0
163	Cllr Tom Weatherston	Member	Scottish Borders Council	0
5	Cllr Elaine Thornton-Nicol	Member	Scottish Borders Council	0
54	Cllr John Greenwell	Member	Scottish Borders Council	0
5,719	Total			1,942

^{*1} Dr Stephen Mather left the role of voting member and Chair of the IJB on 31 August 2020

^{*2} Ms Sonya Lam undertook the role of voting member and Chair of the IJB from 04 June 2020

Due to a lower level of face to face meetings as a result of Covid-19, there is a reduction in the level of IJB members' expenses compared to the previous financial year.

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore no pension rights disclosures are provided for the Chair and Vice-Chair of the IJB as they are defined above.

Remuneration of Senior Employees

The term 'Senior Employee' means:

1. Any employee who has responsibility for the management of the Integration Joint Board to the extent that the person has the power to direct or control the major activities of the Board (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
2. Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4); or
3. Whose annual remuneration, including any remuneration from a local authority subsidiary body, is £0.150m or more.

The IJB does not employ any staff in its own right. Specific post-holding officers are non-voting members of the board however:

Chief Officer: Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014, a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

Other Officers: The services of a Chief Finance Officer (CFO) were been secured through a secondment appointment until 02 August 2020. The CFO undertakes the statutory role of section 95 Officer for the IJB. The employment contract for the CFO will adhere to the legislative and regulatory framework of the employing partner organisation. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

The Chief Officer therefore has responsibility for the management of the IJB, supported by the Chief Financial Officer within a financial context as Section 95 Officer (Local Government (Scotland) Act 1973) to the Partnership. Regardless of how these posts are supplied to the partnership or funded, both are therefore deemed to be Senior Employees in line with criterion 1 above.

Total 2019/20 £	Name	Employing Organisation	Salary 2020/21 £	Fees and Allowances £	Total 2020/21 £
112,740	Mr Rob McCulloch-Graham	Scottish Borders Council	104,327	3,130	107,457
63,570	Mr Michael Porteous	NHS Borders	24,172	0	24,172 ^{*1}
176,310	Total	Total	128,499	3,130	131,629

^{*1} Mr Michael Porteous left the post of Chief Financial Officer to the IJB on 02 August 2020. Only Salary costs incurred to this date have therefore been included.

During the period, no payments were made in respect of bonuses, compensation for loss of office or any non-cash benefits. No exit packages were agreed by the Board during this period.

Mr Rob McCulloch-Graham held an employment contract with Scottish Borders Council on Scottish Borders Council pay terms and conditions of employment and is a member of the Scottish Borders Council Local Government Pension Scheme (LGPS). This scheme became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected

and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

Mr Michael Porteous has an employment contract with an NHS Board and is a member of the NHS Pension Scheme (Scotland) 2015. The NHS Superannuation Scheme became a career average pay scheme from 1 April 2015, replacing previous 2008 section and 1997 scheme. Benefits built up to 31 March 2015 are protected and based on final salary.

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis, there is no pensions liability reflected on the IJB Balance Sheet for the Chief Officer or any other officers. The IJB however has the responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB.

The following table shows the IJB's funding during the year to support officers' pension benefits and the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions:

Name	In-Year Pension Contributions For Year To		Accrued Pension Benefits At 31 March 2021	
	31 March 2020 £	31 March 2021 £	Pension £	Lump Sum £
Chief Officer Mr Rob McCulloch-Graham	20,167	19,342	13,940	0
	Movement from 31 March 2020 =		2,263	0
Chief Financial Officer Mr Michael Porteous (06 August 2018 to 31 March 2019)	8,073	3,070	23,840	65,564
	Movement from 31 March 2020 =		1,945	6,986
	Total Movement from 31 March 2020 =		4,208	6,986

*1 Mr Michael Porteous left the post of Chief Financial Officer to the IJB on 02 August 2020. Only In-Year Pension Contributions to this date have therefore been included. Accrued Pension Benefits shown are also at 02 August 2020.

The regulations require any officer whose remuneration for the year was **£0.050m** or above, to be disclosed in bandings of **£0.005m**. For the IJB in 2020/21 this is:

Number of Employees in Band 2019/20	Remuneration Band	Number of Employees in Band 2020/21
	£50,001 - £55,000	
	£55,001 - £60,000	
1	£60,001 - £65,000	
	£65,001 - £70,000	
	£70,001 - £75,000	
	£75,001 - £80,000	
	£80,001 - £85,000	
	£85,001 - £90,000	
	£90,001 - £95,000	
	£95,001 - £100,000	
	£100,001 - £105,000	
	£105,001 - £110,000	1
1	£110,001 - £115,000	

Cllr David Parker
Chair of the IJB

Mr Rob McCulloch-Graham
Chief Officer
H&SC Partnership

On behalf of the Councillors and Officers of Scottish Borders Health and Social Care Partnership

<Date>

Statement of Responsibilities

Integration Joint Board

The Integration Joint Board has appointed its Chief Officer on a permanent basis.

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Joint Board, that officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Integration Joint Board Audit Committee at its meeting on <Date>

Signed on behalf of Scottish Borders Health and Social Care Partnership Integration Joint Board.

Cllr David Parker
Chair of the IJB

<Date>

Chief Financial Officer

The Chief Financial Officer (CFO) was seconded at no cost to the IJB from one or other partner organisation for part of 2020/21.

The CFO is responsible for the preparation of the IJB's Annual Accounts in accordance with the proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the CFO is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- complying with the Code of Practice and legislation.

The CFO is also required to:

- keep adequate proper accounting records which are up to date; and
- take reasonable steps to ensure the propriety and regularity of the finances of the IJB.

I certify that the financial statements give a true and fair view of the financial position of Scottish Borders Health and Social Care Partnership Integration Joint Board as at 31 March 2021 and the transactions of the Joint Board for the year then ended.

Mr David Robertson CPFA
Acting Chief Financial
Officer (s.95) IJB
<Date>

Annual Governance Statement 2020/21

Introduction

The Annual Governance Statement explains the IJB's governance arrangements and system of internal control and reports on their effectiveness.

Scope of Responsibility

The IJB 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.

To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on NHS Borders and Scottish Borders Council (the partners) systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

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

The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either NHS Borders or Scottish Borders Council, as well as non-voting members including a Chief Officer appointed by the Board.

The IJB's Local Code of Corporate Governance (IJB Local Code), which was approved by the Board in September 2018, sets out the framework and key principles which require to be complied with to demonstrate effective governance. The IJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of 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 main features of the governance framework and internal control system associated with the seven core principles of good governance defined in the Local Code in existence during 2020/21 included:

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

The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration, Constitution and Standing Orders to make sure that public business is conducted with fairness and integrity. The Board has a standalone Terms of Reference setting out its remit.

Reliance is placed on the values and standards set out in the codes of conduct within the employer partner organisations, which incorporate “The Seven Principles of Public Life” identified by the Nolan Committee on Standards in Public Life.

The IJB is dependent upon arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints
- ethical awareness training and whistle-blowing policies and procedures
- staff appointment and appraisal processes which take account of values and ethical behaviour
- identifying, mitigating and recording conflicts of interest, hospitality and gifts; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

Other areas where the IJB places significant reliance on arrangements in place within the partner organisations are set out in the remainder of the statement.

The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Professional advice on the discharge of duties is provided to the Board by the IJB Chief Officer supported by the Board Secretary, those fulfilling the role of Chief Financial Officer on an interim basis, and the Chief Internal Auditor as appropriate.

B. Ensuring openness and comprehensive stakeholder engagement

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

Unless confidential, decisions made by the Board are documented in the public domain.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plan of the Health and Social Care Partnership was developed following consultations with interested parties including members of the public.

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

The vision, strategic objectives and outcomes are reflected in the Scottish Borders Health & Social Care Partnership’s Strategic Plan 2018-2021 and the associated Strategic Implementation Plan, which reflect on-going assessment of need.

Implications are considered during the decision making process by way of the standard report template covering Personnel, Carers, Equalities, Financial, Legal, and Risk implications.

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

In determining how services and other courses of action should be planned and delivered, the partnership has a statutory responsibility to involve patients and members of the public.

The Scottish Borders Health & Social Care Partnership’s Strategic Plan 2018-2021 is based on consultation during its review and update and describes the planned redesign of Health and Social Care. The Strategic Implementation Plan sets out how services will be planned and delivered using the integrated budgets to achieve the strategic objectives.

The IJB, as strategic commissioner of health and social care services, gives Directions to NHS Borders and Scottish Borders Council for delivery of the services in line with the Strategic Plan. In future there will be more use of Directions as service redesign and re-commissioning in line with the transformation programme is progressed.

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

The IJB Chief Officer is responsible and accountable to the Board for all aspects of management including promoting sound governance and providing quality information/support to inform decision-making and scrutiny.

Regular meetings are held between the Chief Officer and the Chair and Vice Chair of the IJB. The IJB Chief Officer also meets regularly with the Chief Executives of the partner organisations.

Members of the IJB Board are provided with the opportunity to attend Development Sessions relevant to their role.

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

The IJB Chief Officer has overall responsibility for directing and controlling the partnership. The IJB Board is responsible for key decision-making.

The IJB has approved a Risk Management Strategy which includes: the reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance. Improved strategic risk review and reporting to the Board have been established to embed risk management into the culture of the IJB.

The IJB Chief Financial Officer is responsible for the proper administration of all aspects of the Partnership's financial affairs including ensuring appropriate advice is given to the Board on all financial matters. The IJB CFO post was filled on an interim secondment basis until August 2020; since then the role has been fulfilled jointly by the NHS Borders and Scottish Borders Council Directors of Finance.

The IJB's system of internal financial control is dependent upon on the framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and systems of delegation and accountability within the partner organisations.

Quarterly Revenue Budget Monitoring reports are presented to the Board for monitoring and control purposes including the annual outturn. Financial reporting for the partnership requires the application of appropriate financial regulations, codes of financial practice, and reporting standards.

The IJB also relies upon the partners for:

- Counter fraud and corruption arrangements; and
- Management of data in accordance with applicable legislation.

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

The Chief Officer Audit & Risk of Scottish Borders Council is the IJB's Chief Internal Auditor whose role is to provide an independent and objective annual opinion on the effectiveness of internal control, risk management and governance. Provision of Internal Audit services by the

Council's Internal Audit team is carried out in conformance with the Public Sector Internal Audit Standards.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The IJB Audit Committee is integral to overseeing assurance and monitoring improvements in internal control and governance.

Performance Reports were presented to the Strategic Planning Group and to the Board for the purposes of monitoring and control. An Annual Performance Report for 2020/21 is being prepared to outline progress against strategic objectives over the year.

The Annual Accounts and Report for 2020/21 setting out the financial position in accordance with relevant accounting regulations is also being prepared.

Review of Adequacy and Effectiveness

The IJB is required to conduct, at least annually, a review of the effectiveness of its governance framework.

The review was informed by: an annual self-assessment against the IJB's Local Code of Corporate Governance consistent with the principles of the CIPFA/SOLACE Framework (2016), carried out by IJB Internal Audit; IJB Internal Audit reports; IJB External Audit reports; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Borders and Scottish Borders Council) Internal Audit and External Audit reports.

Improvement Areas of Governance

The 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 Recruit on a permanent basis to the IJB Chief Financial Officer post.
- 2 Improve the clarity and transparency of Directions from the IJB to partners.
- 3 Develop the Workforce Planning Framework to align to Strategic Commissioning Plan.
- 4 Ensure regular updates on progress against the MSG Self Evaluation HSCP Action Plan and Best Value Areas of Improvement.

The implementation of these actions to enhance the governance arrangements in 2021/22 will be driven and monitored by the IJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2021/22 is designed to test improvements in governance arrangements.

Conclusion and Opinion on Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements and system of internal control, while recognising that improvements are required to fully demonstrate compliance with the Local Code in order for the IJB to fully meet its principal objectives. Systems are in place to regularly review and improve governance arrangements and the system of internal control.

Cllr David Parker
Chair of the IJB

Mr Rob McCulloch-Graham
Chief Officer
H&SC Partnership

On behalf of the Councillors and Officers of Scottish Borders Health and Social Care Partnership

<Date>

Independent Auditor's Report

<To be inserted when complete>

Gillian Woolman MA FCA CPFA
Audit Director
Audit Scotland
102 West Port
Edinburgh
EH3 9DN

<Date>

Statement of Accounts

Comprehensive Income and Expenditure Statement (CIES) For the Year Ended 31 March 2021

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments, these would normally be included in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. For 2020/21, there are none.

An adjustment has been made to the 2019/20 prior year figure in respect of a reduction in expenditure pertaining to the Transformation Fund of **£0.060m**. This has increased the overall Surplus on Provision of Services for 2019/20 and funds carried forward / reserves by the same amount. This adjustment is reflected across all statements included within these accounts hereon, including the Movement in Reserves Statement and Balance Sheet.

Gross Expenditure 2019/20	Income 2019/20	Net Expenditure 2019/20		Gross Expenditure 2020/21	Income 2020/21	Net Expenditure 2020/21	Note	
£'000	£'000	£'000		£'000	£'000	£'000		
104,285	0	104,225	Health Services Delegated	117,470	0	117,470	3,4,7	
62,693	0	62,693	Social Care Services Delegated	60,060	0	60,060		
25,378	0	25,378	Health Services Retained and Set-Aside by NHS Borders	25,526	0	25,526		
174	0	174	Corporate Services	168	0	168		
192,530	0	192,470	Cost of Services	203,224	0	203,224		
0	(196,212)	(196,212)	Taxation and Non-Specific Grant Income	0	(209,722)	(209,722)	5	
192,530	(196,212)	(3,742)	Surplus or (Deficit) on Provision of Services	203,224	(209,722)	(6,498)		
						(3,742)	Total Comprehensive Income and Expenditure	(6,498)

The Integration Joint Board came into existence in February 2016. In 2015/16 a set of shadow-Board accounts were prepared. The 2020/21 Comprehensive Income and Expenditure Statement therefore relates to the financial activity pertaining to the fifth full year of financial operation of the IJB since its formation.

Under the Scheme of Integration, both partners are required to fund any adverse outturn balance on delegated services. The net expenditure position above therefore is generated by the funding uncommitted at 31 March 2021:

	£'000
Additional Allocations Delegated by Partners at 31 March 2021	
NHS Borders	3,925
Scottish Borders Council	93
	4,018

Total Comprehensive Income and Expenditure of (**£6.498m**) includes a breakeven position for the IJB on Set-Aside functions. The impact of an over-spend of **£1.328m** on these functions has been accounted for as part of NHS Borders' overall 2020/21 outturn position. As such therefore, there is no impact on the Health and Social Care Partnership's outturn position or on earmarked general reserves carried forward to 2021/22.

Movement in Reserves Statement

The IJB approved its Reserves Policy in 2016/17. In 2020/21, the policy was again applied in order that the Health and Social Care Partnership may carry forward funding. This relates to ring-fenced funding allocations to NHS Borders, unspent Older People's Change Fund and Transformation Fund balances and uncommitted Covid-19 funding allocations.

No statutory adjustments have been made in respect of any absence entitlement on the part of the Chief Officer which has been earned but not yet taken as at 31 March 2021.

	General Fund Balance £'000	Useable Reserves: Employee Statutory Adjustment Account £'000	Total Reserves £'000
Opening Balance at 31 March 2020	3,742	0	3,742
Adjustments between accounting basis and funding under regulations	6,498	0	6,498
Closing Balance at 31 March 2021	10,240	0	10,240
Increase or Decrease during 2020/21	6,498	0	6,498

The overall balance held in IJB reserves has increased significantly at March 2021. This reflects the impact of the pandemic on the IJBs planned investments in relation to whole system transformation, as well as increased slippage on ring-fenced allocations for which delivery is phased over more than one year. Within these ring-fenced allocations a residual balance is held against COVID-19 allocations not utilised in 2020/21 and which will be set against expenditure plans for 2021/22 in line with Scottish Government guidance.

Balance Sheet at 31 March 2021

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2020 £'000			31 March 2021 £'000		Note
5,666		Short-Term Debtors	12,965		6
	5,666	Current Assets		12,965	
(1,924)		Short-Term Creditors	(2,725)		6
	(1,924)	Current Liabilities		(2,725)	
0		Provisions	0		
	0	Long-Term Liabilities		0	
	3,742	Net Assets		10,240	
	3,742	Useable Reserve: General Fund		10,240	
	0	Useable Reserve: Employee Statutory Adjustment Account		0	
	3,742	Total Reserves		10,240	

The unaudited accounts were issued on 07 June 2020 and the audited accounts were authorised for issue on <Date>

**David Robertson CPFA
Acting Chief Financial
Officer (s. 95) IJB**

<Date>

Notes to the Annual Accounts

1 – Significant Accounting Policies

1.1 General Principles

The Annual Accounts summarise the Integration Joint Board's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a section 106 body as defined in the Local Government (Scotland) Act 1973.

It is therefore required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires these to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounting convention adopted in the Annual Accounts is historical cost. They are prepared on a going-concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future.

1.2 Accruals of Income and Expenditure

Activity is accounted for in the year in which it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

1.3 Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, NHS Borders and Scottish Borders Council. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in the Scottish Borders.

1.4 Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to / from each funding partner, as at 31 March 2021, is represented as a debtor or creditor on the IJB's Balance Sheet.

1.5 Employee Benefits

The IJB does not directly employ staff. Officers are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as Employee-Related costs. Where material, the Chief Officers absence entitlement as at 31 March 2021 will be accrued, for example in relation to annual leave earned but not yet taken. There are no charges from funding partners for other staff.

1.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation, as at 31 March, due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet, but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

No provisions or contingent liabilities or assets have been made at 31 March 2021.

1.7 Reserves

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March 2021 shows the extent of resources which the IJB can use in later years to support service provision.

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by legislation. It defers the charge to the General Fund for the Chief Officer's absence entitlement as at 31 March 2021, for example any annual leave earned but not yet taken. The General Fund is only charged for this when the leave is taken, normally during the next financial year.

1.8 VAT

VAT payable is included as an expense where appropriate, only to the extent when it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

In November 2016, HMRC issued an opinion on the VAT treatment of services provided by IJB's partners. This related to the VAT treatment of the exchanges of staff between the Health Board and Local Authority, when under the direction of the Integrated Joint Board.

4 – Expenditure and Income Analysis by Nature

4.1 Expenditure and Income Analysis by Nature

2019/20 £'000		2020/21 £'000
129,603	Services commissioned from NHS Borders	142,996
62,693	Services commissioned from Scottish Borders Council	60,060
147	Employee Benefits Expenditure	141
27	Auditor Fee: External Audit	27
(196,212)	Partners' Funding Contributions	(209,722)
(3,742)	Net Cost of Services / (Surplus)	(6,498)

The Fee charged by the Independent Auditor for 2020/21 was £27,330, an increase of 2.9% from 2019/20.

5 – Taxation and Non-Specific Grant Income

5.1 Taxation and Non-Specific Grant Income

2019/20 £'000		2020/21 £'000
(140,786)	Funding Contribution from NHS Borders	(158,009)
(55,426)	Funding Contribution from Scottish Borders Council	(51,713)
(196,212)	Taxation and Non-Specific Grant Income	(209,722)

The funding contribution from the NHS Board shown above includes **£25.526m** in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

6 – Debtors and Creditors

6.1 Debtors

The IJB's Debtors include money owed to the partnership at 31 March 2021 and any payments made in respect of delegated functions in advance of the financial year 2021/22:

31 March 2020 £'000		31 March 2021 £'000
13	Funding NHS Borders	13
5,653	Funding Scottish Borders Council	12,952
0	Funding Non-Public Sector	0
5,666	Debtors	12,965

6.2 Creditors

The IJB's Creditors include payments due by the partnership not yet made by the 31 March 2021 and any income it has received in advance of the financial year 2021/22:

31 March 2020 £'000		31 March 2021 £'000
0	Funding NHS Borders	0
(1,924)	Funding Scottish Borders Council	(2,725)
0	Funding Non-Public Sector	0
(1,924)	Creditors	(2,725)

The net balance between Debtors and Creditors relates to the earmarked reserves held by the IJB of **£10.240m**.

31 March 2020 £'000		31 March 2021 £'000
3,742		10,240

7 – Related Party Transactions

7.1 Related Party Transactions

The IJB has related party relationships with NHS Borders and Scottish Borders Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

NHS Borders

2019/20 £'000		2020/21 £'000
(140,786)	Funding Contributions	(158,009)
0	Service Income	0
129,603	Expenditure on Services Provided	142,996
0	Key Management Personnel	0
13	Support Services	13
(11,170)	Net Transactions with NHS Borders	(15,000)

Key Management Personnel: There are no non-voting Board members employed by the NHS Board and recharged to the IJB.

31 March 2020 £'000		31 March 2021 £'000
13	Debtors: Amounts Due from NHS Borders	13
0	Creditors: Amounts Due to NHS Borders	0
13	Net Balance with NHS Borders	13

Scottish Borders Council

2019/20 £'000		2020/21 £'000
(55,426)	Funding Contributions	(51,713)
0	Service Income	0
62,693	Expenditure on Services Provided	60,060
147	Key Management Personnel	141
14	Support Services	14
7,428	Net Transactions with Scottish Borders Council	8,502

Key Management Personnel: The senior officers employed by the Local Authority and recharged to the IJB include only the Chief Officer. Details of the remuneration for some specific post-holders are provided in the Remuneration Report.

31 March 2020 £'000		31 March 2021 £'000
5,653	Debtors: Amounts Due from Scottish Borders Council	12,952
(1,924)	Creditors: Amounts Due to Scottish Borders Council	(2,725)
3,729	Net Balance with Scottish Borders Council	10,227

Net Transactions with the Integration Joint Board's partners during 2020/21 was therefore **£6.498m**.

Net Balance with the Integration Joint Board's partners at 31 March 2021 of **£10.240m** relates in full to the carry forward of earmarked reserves on behalf of the Integration Joint Board.

8 – Other Notes to the Accounts

8.1 Provisions:

No provisions have been made at the 31 March 2021.

8.2 Useable Reserve: General Fund:

The IJB holds a balance on its General Fund Reserve at 31 March 2021. The IJB has an approved Reserves Policy which enables it over time to earmark or build up funds which are to be used for specific purposes in the future such as known or predicted future expenditure needs. This supports strategic financial management. The Policy can also enable a contingency fund to be established in order to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

8.3 Unusable Reserve: Employee Statutory Adjustment Account:

Only one officer, the Chief Officer, requires to be considered in relation to absence entitlement earned but not yet taken at 31 March 2021. The value of this untaken but accrued entitlement is not considered material to the overall financial position of the IJB as presented in the Comprehensive Income and Expenditure Statement.

8.4 Agency Income and Expenditure:

The Scottish Borders Partnership IJB is co-terminus between NHS Borders and Scottish Borders Council. The IJB does not act as the lead agency / manager for any delegated health or care services nor does it commission services on behalf of any other IJBs.

8.5 Contingent Assets and Contingent Liabilities:

No Contingent Liabilities or Contingent Assets have been identified relating to any item not recognised on the IJB's Balance Sheet.

*Scottish Borders Health & Social Care
Integration Joint Board Audit Committee*



Meeting Date: 14 June 2021

Report By:	Rob McCulloch-Graham, Chief Officer Health & Social Care
Contact:	Jill Stacey, IJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)
Telephone:	01835 825036
WORK PROGRAMME 2021/22 FOR THE AUDITOR GENERAL FOR SCOTLAND AND THE ACCOUNTS COMMISSION	
Purpose of Report:	This report makes the Members of the Scottish Borders Health & Social Care Integration Joint Board Audit Committee aware of the Work Programme 2021/22 for the Auditor General for Scotland and the Accounts Commission.
Recommendations:	The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> a) Note the details of the Work Programme 2021/22 for the Auditor General for Scotland and the Accounts Commission; and b) Agree to consider the relevant reports when they are published on the Audit Scotland website.
Personnel:	This report highlights the Work Programme 2021/22 for the Auditor General for Scotland and the Accounts Commission, relating to public audit in Scotland.
Carers:	There is no direct impact on carers arising from the contents of this report.
Equalities:	There are no direct equalities and diversities implications arising from the contents of this report.
Financial:	There are no direct financial implications arising from the contents of this report.
Legal:	There are no direct legal implications arising from the contents of this report.
Risk Implications:	The role of the Scottish Borders Health & Social Care Integration Joint Board Audit Committee includes the high level oversight of the adequacy and effectiveness of the IJB's internal controls and corporate governance arrangements including risk management. To fulfil this remit, it seeks assurance from other external scrutiny, audit and inspection agencies as outlined in this report.

Background

- 1.1 The Work Programme 2021/22 for the Auditor General for Scotland and the Accounts Commission, relating to public audit in Scotland, has been published recently on the Audit Scotland website [Our work programme | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/our-work-programme)
- 1.2 The work programme sets out the audit work they plan to deliver during 2021/22. This includes:
 - [Auditor General for Scotland](#)-led work in central government
 - [Accounts Commission](#)-led work in councils and local government
 - Joint work by the Auditor General for Scotland and the Accounts Commission where there are areas of common interest.
- 1.3 The Auditor General for Scotland and the Accounts Commission are committed to ensuring public audit in Scotland:
 - provides assurance about how well public money has been spent
 - contributes to the effective recovery and renewal of public services following the pandemic.
- 1.4 The Audit work relating to PPE, Vaccinations, and Social Care on the work programme might be of interest to Members as these are areas of public audit relevant to health and social care. Arrangements will continue to be made for Scottish Borders Health & Social Care Integration Joint Board Audit Committee to consider the relevant reports when they are published on the Audit Scotland website.