

# Public Document Pack



A meeting of the **Health & Social Care Integration Joint Board Audit Committee** will be held on **Monday, 19th December, 2022** at **12.00 pm** in via Microsoft Teams

## AGENDA

<b>Time</b>	<b>No</b>		<b>Lead</b>	<b>Paper</b>
<b>12:00</b>	<b>1</b>	<b>ANNOUNCEMENTS &amp; APOLOGIES</b>	Chair	Verbal
<b>12:01</b>	<b>2</b>	<b>DECLARATIONS OF INTEREST</b> 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.	Chair	Verbal
<b>12:02</b>	<b>3</b>	<b>MINUTES OF PREVIOUS MEETING</b> 28.11.22	Chair	Attached
<b>12:05</b>	<b>4</b>	<b>MATTERS ARISING</b>		
<b>12:06</b>	<b>5</b>	<b>FOR DECISION</b>		
	5.1	IJB Audit Committee Annual Report 2021/22	Chief Internal Auditor	Appendix-2022-AC-18
	5.2	IJB Reserves Policy	Chief Financial Officer	Appendix-2022-AC-19
	5.3	Update on Internal Audit Annual Plan 2022/23 and Partners Assurance Reports	Chief Internal Auditor	Appendix-2022-AC-20
	5.4	Progress on Implementation of Internal Audit Recommendations for IJB	Chief Internal Auditor	Appendix-2022-AC-21

<b>1:00</b>	<b>6</b>	<b>FOR DISCUSSION/NOTING</b>		
	6.1	Best Value	Chief Financial Officer	Appendix-2022-AC-22
	6.2	IJB Directions Tracker	Chief Financial Officer	Appendix-2022-AC-23
	6.3	Progress with Direction: SBIJB-150622-5 Health Board Oral Services – Development of Plan	General Manager PC&S, Director of Dentistry	Verbal
	6.4	Progress with Direction: SBIJB - 210922-2 Integrated Home Based Reablement Service – Business case for integrated SB Cares and Home First Service	Associate Director of AHPs	Verbal
	6.5	Progress with Direction: SBIJB-020922-1 PCIP – Manage PCIP within existing funding	General Manager PC&S, Associate Director of AHPs	Appendix-2022-AC-24
	6.6	Audit Scotland Report: Drug & Alcohol Services	Chief Financial Officer	Appendix-2022-AC-25
<b>1:55</b>	<b>7</b>	<b>ANY OTHER BUSINESS</b>	Chair	Verbal
<b>2:00</b>	<b>8</b>	<b>DATE AND TIME OF NEXT MEETING</b> Monday 20 March 2023, 2.00pm to 4.00pm, in Committee Room 2, Scottish Borders Council. Monday 19 June 2023 Monday 18 September 2023 Monday 18 December 2023	Chair	Verbal



Minute of the meeting of **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** held on **28 November 2022** at 2.00pm via Microsoft Teams.

**Present:** Cllr T Weatherston, Elected Representative, SBC (Chair)  
Mrs L O'Leary, Non Executive, NHS Borders  
Mrs K Hamilton, Non Executive, NHS Borders

**In Attendance:** Mr C Myers, Chief Officer Health & Social Care  
Mrs H Robertson, Chief Financial Officer  
Miss I Bishop, Board Secretary  
Mrs G Woolman, Audit Scotland  
Mr A Haseeb, Audit Scotland  
Mr G Samson, Audit Scotland

## **1. Apologies and Announcements**

- 1.1 Apologies had been received from Cllr Jane Cox, Elected Representative, Scottish Borders Council, Mr Kai Harrod, Lay member, Mrs Jill Stacey, Chief Internal Auditor, Mrs Sue Holmes, Principal Auditor, SBC.
- 1.2 The Chair advised that Cllr Jane Cox would be standing down from the IJB and the IJB Audit Committee and a new elected representative from Scottish Borders Council (SBC) would be nominated as a replacement.
- 1.3 The Chair confirmed the meeting was quorate.

## **2. Declarations of Interest**

- 2.1 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**

- 3.1 The minutes of the meeting of the Integration Joint Board Audit Committee held on 20 June 2022 were approved.
- 3.2 The minutes of the extraordinary Integration Joint Board Audit Committee held on 31 August 2022 were approved.

#### **4. Matters Arising**

4.1 **Action 2:** Mr Chris Myers confirmed that the action was complete.

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

#### **5. 2021/22 Annual Audit Report**

5.1 Mrs Gillian Woolman provided an overview of the content of the Annual Audit Report and drew out the key messages from the papers including: the audit was substantially complete and any remaining outstanding matters would be addressed prior to approval of the accounts at the extraordinary IJB meeting; there were no unadjusted statements to be corrected; financial management, sustainability and savings; the appointment of the permanent Chief Financial Officer; unmodified audit opinion; the revised Scheme of Integration; and the recommendations from the report.

5.2 The Chair thanked Mrs Woolman and her team for preparing the report.

5.3 Mrs Lucy O'Leary welcomed the appointment of Mrs Hazel Robertson as the permanent Chief Financial Officer and commented that it felt like a different level of vulnerability for the IJB, being single person dependent in that role.

5.4 Mrs Robertson commented that whilst she was the only designated person she worked very closely with both the NHS Borders and Scottish Borders Council financial teams and had fortnightly meetings with them. She also acknowledged the support she had received from Mr Andrew Bone, Director of Finance at NHS Borders who had collated the financial statements from the two bodies in order to meet the auditors deadline.

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

#### **6. 2021/22 Scottish Borders Integration Joint Board Annual Accounts Letter of Representation**

6.1 Mrs Hazel Robertson advised that the management letter was a standard part of the annual accounts process. It was her duty to provide the Audit Committee with assurance that the IJB undertook its duties in line with statutory requirements and had appropriate arrangements in place. She sought the authorisation of the Committee to sign the letter and send it to Audit Scotland.

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

#### **7. Scottish Borders Integration Joint Board Annual Accounts 2021/22 (Audited)**

7.1 Mrs Hazel Robertson commented that Mrs Gillian Woolman's report was both full and fair. It had been challenging since she had come into post to prepare the annual

accounts and Audit Scotland had worked with her to ensure the statutory deadlines were achieved. She further commented that some of the narrative had been amended, but it was always a source of pride when the final accounts position were the same as the draft accounts position.

- 7.2 Mr Asif Haseeb noted 2 minor points to be amended: page 27 referred to the IJB Audit Committee approving the accounts, when their role was to recommend the accounts for approval by the IJB; and that the date of 28 November 2022 for the Extraordinary IJB needed to be revised to 30 November 2022 as that had been confirmed that morning. He further suggested the title in brackets under Mrs Robertson's include the word officer (Section 95 Officer).
- 7.3 Mr Haseeb confirmed that the accounts would be signed off via electronic means by all the parties concerned.
- 7.4 Mrs Lucy O'Leary enquired why the IJB members' expenses had been included when they were paid by the employing bodies and would presumably appear in the employing bodies annual accounts. Mr Haseeb commented that the payments were for the additional responsibilities undertaken by Health Board members purely for the IJB and whilst they were paid by the Health Board they were not included in the Health Board accounts and it had been agreed previously that they should be included in the IJB Annual Accounts.
- 7.5 Mrs Gillian Woolman suggested the inclusion of a sentence at that section in the annual accounts to explain the reason for the disclosure. She further reminded the Committee that 30 November 2022 was the last date for signature of the Annual Accounts 2021/22.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted the 2021/22 Annual Accounts (audited).

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** recommended the report and the 2021/22 Annual Accounts for approval by the Integration Joint Board.

## **8. Audit Scotland Reports**

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

## **9. Any Other Business**

- 9.1 The Chair advised that no further business had been identified.

## **10. Date and Time of Next Meeting**

The Chair confirmed that the next meeting of the IJB Audit Committee would be held on Monday 12 December 2022 at 2.00pm via Microsoft Teams.

This page is intentionally left blank

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






## Action Tracker

Meeting Date:

Item:

Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status

Page 7

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

Agenda Item 4

This page is intentionally left blank



**SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD  
AUDIT COMMITTEE  
ANNUAL REPORT FROM THE CHAIRMAN – 2021/22**

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 4 times on a virtual basis during the financial year on 14 June, 20 October (extraordinary meeting) and 9 December 2021, and 14 March 2022 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 2020/21 in June 2021 and the audited Annual Accounts 2020/21 in October 2021, 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.

The role of the IJB Audit Committee has been extended during the year 2021/22 by the IJB to include the monitoring of the delivery of the IJB's Strategic Commissioning Plan and progress against its Directions. At the 14 March 2022 meeting the IJB Audit Committee carried out a review of progress with the delivery of the IJB's Strategic Implementation Plan 2018-22, with further reports expected later in 2022 to enable the IJB Audit Committee to scrutinise progress against the IJB's Directions. This reflects the development of the Integration Joint Board's refreshed Approach to Commissioning and formal Directions Policy, both of which had been presented to the IJB Audit Committee for scrutiny and consultation in advance of their being approved by the IJB in December 2021.

## 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 in February 2020 by the IJB of an Independent Member from the community, following an external recruitment and selection process.

The Committee membership during the year 2021/22 was Mrs K Hamilton (Chair), Mrs L O’Leary, Councillor J Greenwell (to September 2021), Councillor J Linehan (from October 2021); 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	14 June 2021	20 October 2021	9 December 2021	14 March 2022
Mrs K Hamilton (Chair)	√	√	√	√
Mrs L O’Leary	√	√		√
Cllr J Greenwell (to September 2021)	√			
Cllr J Linehan (from October 2021)			√	√
Cllr T Weatherston	√		√	√
Mr J Wilson (Independent Member)	√			

The meetings of the IJB Audit Committee in 2021/22 were quorate (i.e. at least three Members present) with the exception of the Extraordinary meeting in October 2021 due to unexpected absences on the day. The business was conducted of scrutinising the External Audit Annual Report 2020/21 and audited Annual Accounts 2020/21 and, whilst not quorate, the committee recommended to the IJB their formal approval, as required by legislation.

All other individuals who attended the meetings are recognised as being “in attendance” only to support the Committee. The Chief Officer, those individuals fulfilling the Chief Financial Officer role on an interim basis (with the exception of the December 2021 meeting), the Chief Internal Auditor, external auditors, and the Secretary (provided by NHS Borders) attended all Committee meetings.

## 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 14 March 2022 during a Development 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 with evidence of improvement during the year. The following further improvements have been identified:

- Utilise the Knowledge and Skills Framework from the CIPFA 'Audit Committees' Guidance to inform future learning and development needs of IJB Audit Committee members.
- Arrange a meeting of Chairs of IJB, SBC and NHS Borders audit committees in 2022 as an opportunity to share practice and understand the governance arrangements and assurance frameworks of the Partners on which reliance is placed (for example, assurance to the IJB on the value for money arrangements and counter fraud and corruption arrangements within the Partner organisations).

## **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, including the new additions to the Audit Committee's remit approved by the IJB in year 2021/22, and accordingly with the best practice audit committee principles within the CIPFA Position Statement from the CIPFA 'Audit Committees' Guidance.
- 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 functions and effectiveness, and has identified areas for further improvement.

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

None.

Karen Hamilton  
Chairman of IJB Audit Committee to March 2022

This page is intentionally left blank

**CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition**

**Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 14 March 2022**

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). Amended Term of Reference (TOR) approved by IJB during 2021/22.
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, those fulfilling the role of Chief Finance Officer on an interim basis, Chief Internal Auditor and External Auditor. Induction/Refresher session held on 16 February 2022.
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 2021/22 self-assessment of performance against best practice checklists on 14 March 2022. 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.

**CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition**

**Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 14 March 2022**

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"> <li>• good governance</li> </ul>	Yes	Included in function no. 1
<ul style="list-style-type: none"> <li>• assurance framework, including partnerships and collaboration arrangements</li> </ul>	Yes	Included in all aspects of functions
<ul style="list-style-type: none"> <li>• internal audit</li> </ul>	Yes	Included in function no. 3
<ul style="list-style-type: none"> <li>• external audit</li> </ul>	Yes	Included in function no. 4
<ul style="list-style-type: none"> <li>• financial reporting</li> </ul>	Yes	Included in function no. 5
<ul style="list-style-type: none"> <li>• risk management</li> </ul>	Yes	Included in function no. 2
<ul style="list-style-type: none"> <li>• Value for money or best value</li> </ul>	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"> <li>• Counter-fraud or corruption</li> </ul>	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"> <li>• Supporting the ethical framework</li> </ul>	Yes	Included in function no. 6

## CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2018 Edition

### Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 14 March 2022

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 2021/22 self-assessment of performance against best practice checklists on 14 March 2022, 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. Amended Terms of Reference (TOR) to reflect wider remit was approved by IJB December 2021.
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 2021/22 self-assessment has confirmed that the IJB Audit Committee adhered to its Terms of Reference during the year.

## CIPFA 'audit committees' Practical Guidance for Local Authorities and Police 2018 Edition

### Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 14 March 2022

#### 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"> <li>• separation from the executive</li> <li>• an appropriate mix of knowledge and skills among the membership</li> <li>• a size of committee that is not unwieldy</li> <li>• consideration has been given to the inclusion of at least one independent member</li> </ul>	Yes	<p>1<sup>st</sup> 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>2<sup>nd</sup> 3<sup>rd</sup> and 4<sup>th</sup> 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. Development 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. The activity includes the distribution of Agenda papers and Minutes, and preparation of Notes for the Chair prior to each Committee meeting.</p>



**CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 Edition**

**Scottish Borders Health and Social Care IJB Audit Committee – self-assessment of Good Practice at 14 March 2022**

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, those individuals fulfilling the Chief Financial Officer role on an interim basis.
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 2021/22 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 2021/22 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.

Page 17



This page is intentionally left blank

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. Arrange a meeting of Chairs of IJB, SBC and NHS Borders audit committees in 2022.	4 (4 2021/22)
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 2021/22)
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 2021/22)
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 (Induction/Refresher held 16 February 2022). Annual Strategies, Plans and Reports received from Auditors for assurance purposes.	4 (4 2021/22)

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.	<p>Reviewing the audit charter and functional reporting.</p> <p>Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements.</p> <p>Actively support Internal Audit improvements (QAIP).</p>	<p>Committee places reliance on SBC A&amp;SC to approve Internal Audit Charter and confirm conformance with PSIAS (QAIP).</p> <p>IJB Internal Audit Annual Plans and Annual Assurance Reports are received for review.</p>	<p>4 (4 2021/22)</p>
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements.	<p>Reviewing how the governance arrangements support the achievement of sustainable outcomes.</p> <p>Reviewing major projects and programmes to ensure governance and assurance arrangements are in place.</p> <p>Reviewing the effectiveness of performance management arrangements.</p>	<p>Auditors provided assurance on transformation, efficiencies and performance management arrangements.</p> <p>Committee scrutinised annual accounts and report including Management Commentary on performance and outcomes.</p>	<p>4 (4 2021/22)</p>
7. Supporting the development of robust arrangements for ensuring value for money.	<p>Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee.</p> <p>Considering how performance in value for money is evaluated as part of the Annual Governance Statement.</p>	<p>Auditors provided assurance on value for money arrangements e.g. transformation, sustainability, and performance management.</p> <p>AGS sets out the Governance Framework including arrangements for best value.</p> <p>Reliance is placed on the value for money arrangements within the partner organisations (need assurance thereon).</p>	<p>3 (3 2021/22)</p>
8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.	<p>Reviewing arrangements against standards in CIPFA's <i>Managing the Risk of Fraud and Corruption</i> (2014).</p> <p>Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.</p> <p>Assessing the effectiveness of ethical governance arrangements for both staff and governance bodies.</p>	<p>Reliance is placed on the arrangements for countering fraud and corruption within operational arrangements of partners who deliver the services commissioned by the IJB.</p> <p>Arrange meeting of Chairs of IJB, SBC and NHS Borders Audit Committees to share practices and gain assurance on the partners' counter fraud and corruption arrangements.</p>	<p>4 (4 2021/22)</p>

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
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 2021/22)

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

This page is intentionally left blank

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



Meeting Date: 19 December 2022

<b>Report By:</b>	Karen Hamilton, Chair of SBIJB Audit Committee to March 2022
<b>Contact:</b>	Jill Stacey, SBIJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)
<b>Telephone:</b>	01835 825036
<b>SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE ANNUAL REPORT 2021/22</b>	
<b>Purpose of Report:</b>	To provide Members with the IJB Audit Committee Annual Report 2021/22 which incorporates its annual self-assessment using the CIPFA Audit Committees Guidance.
<b>Recommendations:</b>	The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> <li>a) Approve the IJB Audit Committee Annual Report 2021/22 (Appendix 1) which incorporates its self-assessments (Appendices 2 and 3) using the CIPFA Audit Committees Guidance; and</li> <li>b) Agree that the IJB Audit Committee Annual Report 2021/22 (Appendix 1) should be presented to the IJB.</li> </ul>
<b>Personnel:</b>	This report relates to Members of the IJB Audit Committee.
<b>Carers:</b>	There is no direct impact on carers arising from the contents of this report.
<b>Equalities:</b>	There are no direct equalities and diversities implications arising from the contents of this report.
<b>Financial:</b>	There are no direct financial implications arising from the contents of this report.
<b>Legal:</b>	<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>

<b>Risk Implications:</b>	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.
---------------------------	--

## 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 (IJB).
- 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 Annual Report 2021/22 is appended to this report as Appendix 1 for consideration to demonstrate this best practice. The Members of 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 a Development Session held on 14 March 2022 facilitated by the IJB's Chief Internal Auditor. 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 with evidence of improvement during the year. Further areas of improvement have been identified by the Committee.
- 2.3 The IJB Audit Committee Annual Report 2021/22 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 further improve its effectiveness.





## RESERVES POLICY

### Background

The Scottish Borders Integration Joint Board (IJB) is a legal entity in its own right created by Parliamentary Order following Ministerial approval of the Integration Scheme and has been formally constituted under a body corporate model. The IJB is expected to operate under public sector best practice governance arrangements.

The IJB has the same legal status as a local authority, i.e. a section 106 body under the Local Government (Scotland) Act 1973 Act, and is classified as a local government body for accounts purposes by the Office of National Statistics (ONS). Therefore, it is able to hold reserves.

The Chartered Institute of Public Finance and Accountancy (CIPFA) issued guidance in the form of Local Authority Accounting Panel (LAAP) Bulletin 55 – Guidance Note on Local Authority Reserves and Balances. This guidance outlines the framework for reserves, the purpose of reserves and some key issues to be considered when determining the appropriate level of reserves.

Reserves are established as part of good financial management. The purposes of reserves are as:

- a) a working balance to cushion the impact of uneven cash flows
- b) a contingency to cushion the impact of unexpected events or emergencies
- c) a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

This Reserves Policy should be read in conjunction with the Financial Regulations for the IJB, approved as part of the IJB Code of Governance.

### The Borders Integration Scheme

The Scottish Borders Integration Scheme was approved by Scottish Ministers with effect from 06 February 2016. Section 8.8.1 of the Scheme states that:

*“in line with (IRAG) guidance, a process for jointly agreeing, reporting and carrying forward any unused balances at the end of the financial year will operate”.*

Within the Scheme, section 8.6.7 states:

*“Where there is a planned underspend in operational budgets arising from specific action by the IJB it will be retained by the IJB. This underspend may be used to fund additional capacity in-year or, with agreement with the partner organisations, carried forward to fund capacity in subsequent years. The carry forward will be held in an ear-marked balance within Scottish Borders Council’s general reserve.”*

Section 8.6.8 states that:

*“Any unplanned underspend will be returned to Borders Health Board or Scottish Borders Council by the IJB either in the proportion that individual pressures have been funded or based on which service the savings are related to”.*

*This financial mechanism does not apply to notional funding for set-aside budgets.*



## **Purpose of Reserves Policy**

The purpose of a reserve policy is to:

- outline the legislative and regulatory framework underpinning the creation, use or assessment of the adequacy of reserves;
- identify the principles to be employed by the IJB in assessing the adequacy of the IJB's reserves;
- indicate how frequently the adequacy of the IJB's balances and reserves will be reviewed; and
- set out arrangements relating to the creation, amendment and use of reserves and balances.

For each reserve there should be a clear protocol setting out:

- the reason / purpose of the reserve;
- how and when the reserve can be used;
- procedures for the reserves management and control; and
- the review timescale to ensure continuing relevance and adequacy.

Reserves transactions need to be agreed in advance with the Director of Finance (NHS Borders) and the Chief Financial Officer (section 95) of Scottish Borders Council.

## **Types of Reserves**

Three main types of reserve may be held by the IJB if required:

- General Fund (earmarked and general)
- Repairs and Renewal
- Insurance

At present, it is expected that only a general fund reserve will be required within the Scottish Borders IJB, which can be used to support the financial strategy of the IJB. Only a small element of the budgets for premises-related costs are currently delegated to the IJB and as a result the potential requirement to defray expenditure on repairing or maintaining property-related assets is low. Similarly, no specific separate insurance arrangements have been required for the IJB.

## **General Fund Reserve**

In Scotland, under Local Government rules, the IJB cannot have a separate earmarked reserve within the Balance Sheet, but can highlight elements of the General Fund Reserve balance which are required for specific purposes.

Two types of funding will be held in the General Fund reserve:

- General Fund earmarked for specific commitments,
- General Fund general: for the carrying of planned IJB underspends to meet unforeseen or identified future IJB financial requirements.



The General Fund reserves balance comprises three elements:

- a) funds that are earmarked for specific purposes  
These reserves are primarily funded from discrete allocations or funding. Spend from these reserves does not require specific approval from the IJB. The recognition of such funds can be from:
  - future use of funds for a specific purpose, as agreed by the IJB;
  - commitments made under delegated authority by the Chief Officer, which cannot be accrued at the year-end due to not yet being in receipt of the service or goods;
- b) general funds which are not earmarked for specific purposes, but are available to the IJB to deal with unexpected events or emergencies; spend from these reserves will require IJB approval.
- c) general funds held in excess of the target level of identified earmarked sums.  
Reserves of this nature can be spent or earmarked at the discretion of the IJB.

### **General Fund: Earmarked reserves**

Balances which are essential to the IJB to enable it to meet definite commitments include:

- Funding received from external organisations with spending conditions attached and where expenditure has yet to be incurred or conditions satisfied
- Previous policy decisions of the IJB / Council / NHS Board, i.e. approval to commit to future spend on specific initiatives
- A defined commitment made prior to 31 March where services were not provided (or goods received) prior to the financial year-end.

These balances may be generated through specific management action during the financial year or at the financial year-end following a review of the final outturn position by the Chief Officer in conjunction with the Chief Financial Officer of the IJB.

Where there is a planned underspend in operational budgets arising from specific action by the IJB it will be retained by the IJB. This underspend may be used to fund additional capacity in-year or, with agreement with the partner organisations, carried forward to fund capacity in subsequent years. The carry forward will be held in an ear-marked balance in the general reserve.

Where such additional expenditure is of a recurring nature the Chief Officer and CFO should ensure a plan is established to enable the commitment to be financed in subsequent financial years.

If an underspend arises from a material error in the assumptions made to determine the initial budget, it should not be assumed that this unplanned underspend can be retained in reserves, it may need to be returned to Borders Health Board or Scottish Borders Council by the IJB in proportion to the service the underspend relates to.

These balances may be held as earmarked reserves by the IJB to plan ahead to meet the cost of potential commitments which may occur in the short to medium term. Such balances



can be held to fund capacity on a non recurring basis within service priorities as set out in the Strategic Plan.

### Reclassification of earmarked balances

Balances may have been earmarked for a specific purpose which no longer exists and therefore the balances remain uncommitted. These should be subject to annual review by the IJB and any change in classification agreed.

### **Level of Balances Held**

The Integration Scheme states that the Chief Financial Officer is responsible for advising on the targeted optimum levels of reserves that the IJB would aim to hold, known as the prudential target figure. The IJB, based on this advice, should then approve the appropriate reserve strategy as part of the budget process.

This Policy requires the IJB to review balances and reserves strategy on an annual basis as part of the preparation of the Annual Accounts and the Financial Plan. This will involve examination of the level and detail of balances held. This will include both earmarked and unallocated reserves.

CIPFA recommends that the level of reserves which require to be established and carried should be determined by an estimate of the potential impact of identified strategic and operational risks faced by the IJB.

- Within the general reserve, good practice indicates that balances should be between 2% and 3% of revenue expenditure.
- The IJB should, in total, hold no more than 4% of revenue expenditure as reserve balances.
- Assessment and quantification of the financial risks to which the Partnership is exposed will play a key role in the determination of acceptable level of reserves.
- A finance risk assessment will be conducted as part of the financial planning and budget setting process,
- This assessment will inform the level of general reserve to be maintained.

Where unallocated balances are significantly in excess of this or not identified for future anticipated liabilities or projects, the IJB may consider transfer of the excess to fund specific projects. In the event that the IJB is unable to identify appropriate projects, excess balances may, with IJB approval, transfer to partners in the same proportion as individual parties contribute to joint pressures unless it can be clearly demonstrated that the reserve is directly attributable to an individual partner's contribution.

Any financial recovery plan will take account of earmarked and general reserves balances available to the IJB.

### **Managing Funds and Reporting Balances**

Where a balance has been committed for a specific purpose and expenditure has been incurred or grant conditions met a request should be made to the CFO to draw the balance down and match against expenditure incurred. The subsequent Financial Management Report to the IJB will note the IJB's direction of reserves.



In order to demonstrate movement in specific balances it is important that drawdowns are requested even where the IJB is reporting an in-year underspend.

Where the ear marked balance exceeds the expenditure incurred then the remaining balance will be reclassified as an uncommitted balance and treated accordingly.

The annual accounts will provide details of and the reason for retaining existing balances.

### **Financial Management and Financial Reporting Arrangements**

The IJB will receive an update on reserves balances and reserves utilised as part of quarterly financial monitoring reports. This will include an update on the finance risk assessment and an assessment of any planned or anticipated changes in reserves;

### **Review of Reserves Policy Document**

This document will be reviewed every four years or earlier if required.

Hazel Robertson

**Chief Financial Officer  
Scottish Borders Integration Joint Board**

**September 2022**

This page is intentionally left blank

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



Scottish Borders  
Health and Social Care  
PARTNERSHIP

Meeting Date: 19 December 2022

<b>Report By:</b>	Hazel Robertson, Chief Financial Officer
<b>Contact:</b>	Hazel Robertson
<b>Telephone:</b>	07929 760533
<b>SCOTTISH BORDERS IJB RESERVES POLICY</b>	
<b>Purpose of Report:</b>	To seek approval for an updated Reserves Policy
<b>Recommendations:</b>	The Health & Social Care Integration Joint Board Audit Committee is asked to:  a) Approve the revised Reserves Policy
<b>Personnel:</b>	No implications
<b>Carers:</b>	No implications
<b>Equalities:</b>	No implications
<b>Financial:</b>	The policy sets out the arrangements for use of reserves to provide flexibility in the financial management of the IJB.
<b>Legal:</b>	The legal and regulatory framework for establishment and operation of reserves is set out in the policy document.
<b>Risk Implications:</b>	Without having an effective policy for reserves the IJB may not be able to operate with financial flexibility to support management of funds across years and targeting of available resources to priorities..
<b>Direction required:</b>	No Direction required

### **Situation**

The IJB Reserves Policy was last reviewed in 2017. The attached Policy has been reviewed by the IJB Chief Financial Officer, NHS Borders Director of Finance and the SBC Acting Chief Financial Officer.

### **Background**

The existence and application of a Reserves Policy allows the IJB to manage funds over more than one year, to set aside funds to support financial risk management, and to handle ring fenced funding allocations effectively.

### **Assessment**

This revision reflects best current practice and available flexibility,

This page is intentionally left blank



**IJB Internal Audit Annual Plan 2022/23**

**Appendix 1**

Ref	Category	Audit	Commentary	Status
1.	Assurance	Internal Control, Governance and Risk Management	<p>Continuous audit approach to follow up on implementation of actions of areas of improvement set out in the Annual Governance Statement 2021/22. Annual evaluation of the IJB's corporate governance arrangements in place to deliver services to meet the needs of service users and the strategic priorities for health and social care integration.</p> <p>Specific review of the IJB's risk management arrangements including the planned refocus of the Strategic Risk Register to reflect the IJB's strategic commissioning role and to align with the revised Strategic Commissioning Plan.</p> <p>Review with Management the 7 core principles to refresh the IJB Local Code of Corporate Governance for consideration by the IJB Audit Committee prior to Board approval.</p> <p>Prepare an annual assurance report for IJB Management and IJB Audit Committee that includes the statutory Internal Audit opinion on the adequacy of the IJB's arrangements for risk management, governance and internal control for delegated resources. This will be used to inform IJB's Annual Governance Statement.</p>	<p>Ongoing follow-up on implementation of actions on Areas of Improvement set out in the IJB Annual Governance Statement 2021/22.</p> <p>Continuous review of progress with refresh of strategic risk register aligned to strategic commissioning plan.</p> <p>Internal Audit specific focus on review and refresh of the IJB's Local Code of Corporate Governance, referencing decision-making of the IJB in the first instance. Engagement with IJB Chief Officer, IJB Chief Finance Officer and relevant others in the HSCP to be scheduled to ensure collaborative approach in the conclusion of the review and refresh of IJB Local Code.</p> <p>Annual evaluation of compliance with and effectiveness of IJB's Local Code of Corporate Governance and annual evaluation of effectiveness of IJB's internal controls and governance arrangements scheduled 4<sup>th</sup> Quarter.</p> <p>Reliance will be placed on relevant work of partners' Internal Audit providers.</p>
2.	Assurance	Strategic Commissioning	<p>Assess the IJB's corporate governance arrangements in place to redesign service delivery to meet the needs of service users and align with Strategic Plan priorities, with a focus on commissioning arrangements to inform strategies and plans.</p> <p>Evaluate the implementation of the Directions policy to ensure that clarity and transparency can be demonstrated to partner organisations, and aligned to performance and financial reporting.</p> <p>Review progress with the development of the Workforce Planning Framework and the full Workforce Plan to support the delivery of redesigned services commissioned by the IJB which fit with strategic priorities for health and social care integration.</p>	<p>Continuous audit approach on progress with preparation for strategic commissioning plan 2023-2026 and associated consultation and engagement with stakeholders.</p> <p>Continuous review of Directions approved by IJB, and the monitoring and oversight role of Audit Committee. Monthly audit update meetings with IJB Chief Officer (and with IJB Chief Finance Officer since commencement in the post in August 2022) as a 'critical friend' on developments in progress.</p> <p>Consultation on the integrated Workforce Plan 2022-2025 during Internal Audit follow-up activity (prior year recommendation), in advance of its formal approval. Ongoing 'critical friend' to assess alignment with strategic commissioning plan.</p>

Ref	Category	Audit	Commentary	Status
3.	Assurance	Performance Management	<p>Assess whether there is appropriate alignment of performance measures in the IJB's Performance Management Framework to key priorities and outcomes of the Strategic Plan and validate the evidence of improvement of health and wellbeing within the Scottish Borders through integrating health and social care services.</p> <p>Review and evaluate the source systems, data and processes to produce the Annual Performance Report required by the Scottish Government.</p>	Scheduled 4 <sup>th</sup> Quarter.
4.	Other	Recommendations Follow Up Review	Follow-up progress by Management with implementation of Audit Actions by the agreed date relating to areas of improvement recommended in 2021/22 audit assurance work and check on the adequacy of new internal controls.	<p>Ongoing – quarterly follow-up activity with IJB Chief Officer (and with IJB Chief Finance Officer since commencement in the post in August 2022).</p> <p>Progress Update on implementation of Internal Audit recommendations to be presented to IJB Audit Committee in December 2022.</p>
5.	Other	Partners' Assurance	Review assurance from partners' Internal Audit providers, i.e. Grant Thornton for NHS Borders and in-house team for Scottish Borders Council, that is relevant to health and social care integration through their work undertaken and presented to their respective audit committees.	<p>Six monthly reports scheduled for presentation to IJB Audit Committee in June and December.</p> <p>Reports by partners' Internal Audit providers presented in the second half of 2021/22 to their respective Audit Committees were listed in appendix to IJB Internal Audit Annual Assurance Report 2021/22 presented to SBJIB Audit Committee on 14 June 2022.</p> <p>Reports by partners' Internal Audit providers presented in the first half of 2022/23 to their respective Audit Committees to be included for information within the Mid-Year Progress Update on IJB Internal Audit Annual Plan 2022/23, scheduled to SBJIB Audit Committee in December 2022.</p>
6.	Other	Administration of Audit Scotland Reports	Monitor publication of Audit Scotland and other national reports and co-ordinate submission by Management of relevant national reports to the IJB Audit Committee / Board that give rise to introducing best practice arrangements or lessons learned from other organisations to enable Management to evidence improvements in health and social care integration practices on a continuous basis.	Ongoing coordination of Management presenting reports to IJB or its Audit Committee to ensure transparency of best practice and lessons learned from other organisations as part of continuous improvement.
7.	Other	Audit Committee	Provide assistance to the Chair in undertaking a self-assessment of	Delayed Chair's Report to be presented to IJB Audit Committee 12 December 2022 and to IJB 21 December 2022, based on the

Ref	Category	Audit	Commentary	Status
		Self-Assessment	the IJB Audit Committee against the CIPFA best practice guidance.	<p>March 2022 annual IJB Audit Committee Self-Assessments. Identified improvement actions in progress, including Development Sessions for IJB Audit Committee.</p> <p>IJB Chief Internal Auditor supported and advised on the recruitment, selection and appointment of the External Member IJB Audit Committee.</p> <p>IJB Chief Internal Auditor scheduled to facilitate annual IJB Audit Committee Self-Assessment in March 2023 – 4<sup>th</sup> Quarter.</p>
8.	Other	Attendance at Boards / Committees	Attend IJB meetings and other relevant forums to observe planning, approval, monitoring and review activity of business and performance. Prepare for and attend IJB Audit Committee meetings.	<p>Ongoing.</p> <p>In addition, IJB Chief Internal Auditor meets with Chair of IJB Audit Committee prior to each meeting.</p>
9.	Other	Audit Planning for 2023/24	Renew risk assessment, develop and consult on proposed coverage within the IJB Internal Audit Annual Plan 2023/24.	Scheduled 4th Quarter.

This page is intentionally left blank

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 first half of 2022/23 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  27 June 2022  (Source: Agenda, Reports and Minutes published on website modern.gov)	Capital Investment (2021/22)	To review the governance arrangements in place for capital planning and investment including strategic asset management plans to ensure these are aligned to Council priorities and business requirements.	<p>Substantial assurance. The latest Capital Investment Strategy applies to financial year 2022/23 and subsequent financial years, and pulls together the investment implications of other more detailed policies, including the refreshed Council Plan. Capital investment is aligned to Council priorities and business requirements. Regular and appropriate capital project and programme reporting is provided to senior officers and elected members to enable them to make decisions on the Council's capital investment activity.</p> <p>Three Medium recommendations designed to assist with improvements on asset management planning, board oversight, risk, and sustainability factor in capital bid process.</p>
	IT Asset Management (2021/22)	To assess systems, processes and controls that are in place to ensure complete and accurate records of all IT assets that underpin the IT Asset Management Strategy to deliver the Council's strategic objectives and priorities.	<p>Limited assurance. There are 2 separate asset registers containing IT equipment which are used for different purposes. Asset tags are used for quick and simple identification of IT assets. There is no overarching IT Asset Management Strategy in place. Found no evidence of significant error, inaccuracy or non-compliance but without an overarching strategy and an accurate asset register, it was not possible to fully assess this nor confirm whether this is in line with the Council's Digital Strategy.</p> <p>One Medium and Two Low recommendations designed to establish overarching strategy and ensure an accurate asset register that is regularly checked for completeness.</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Scottish Borders Council Audit and Scrutiny Committee  27 June 2022  (Source: Agenda, Reports and Minutes published on website modern.gov)	Financial Governance: Business World System Key Controls  (2021/22)	At a high level the purpose of the review was to test key areas of risk related primarily to developments introduced in 2021/22.  The Council replaced older legacy systems in April 2017 with an integrated Enterprise Resource Planning solution, Business World (BW), for HR, Finance and Procurement processes designed to reduce duplication in processing and data handling.	Procure to Pay – Substantial Assurance (with the exception of Petty Cash – Limited Assurance); Sales to Cash – Comprehensive assurance; HR – Substantial assurance (with the exception of Mandatory Training – Limited assurance); Record to Report – Comprehensive assurance.  One Medium and One Low recommendations designed to improve operational processes for Petty Cash administration and completion of mandatory training by staff.
Cont'd	Sustainable Environment  (2021/22 b/f from 2020/21)	To assess progress with the development of new governance arrangements and action plans to meet obligations regarding sustainable environmental programmes, including corporate and social responsibility.	Substantial assurance, with largely satisfactory risk, control, and governance systems in place.  Two Medium recommendations designed to ensure completeness and accuracy of returns to Government that are subject to appropriate checking.
	Information Governance  (2021/22)	To examine the Information Governance Framework including roles and responsibilities, policy development and implementation, and compliance with legislation, and provide assurance to Senior Information Risk Owner (SIRO).	Substantial assurance on themes of Information Governance Actions, Records Management, Information Security and Information Sharing, and Data Protection and Information Access. There is scope for improvement, specifically to ensure that the mandatory training completion rate is achieved and to refresh awareness of Information Management issues. No recommendations as Management actions are underway.
	Internal Audit Annual Assurance Report 2021/22	Summarises all of Internal Audit's work undertaken during 2021/22 and provides the audit opinion as required by the PSIAS.	The opinion of the Chief Officer Audit and Risk was that the internal control, governance and risk management within the Council were operating satisfactorily. The main issue for 2021-22 was non-completion by staff of the mandatory eLearning training (particularly child protection), and lack of oversight by Management to check compliance and include in staff annual appraisals. The Council continued to make progress in embedding Risk Management and awareness, ensuring that the risks to achieving corporate objectives were systematically identified, analysed, evaluated, controlled, monitored and reported regularly. Improvements were required on the Council's Business Continuity Framework.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Scottish Borders Council Audit Committee 12 September 2022 (Source: Agenda, Reports and Minutes published on website modern.gov)	Contract Management - Strategic Contracts CGI and Live Borders (2022/23)	To review the Council's Strategic Contract Management and Monitoring arrangements associated with the service provision agreement with the Integrated Sports and Culture Trust, Live Borders, and the IT contract with CGI, including roles and responsibilities, to ensure that there are adequate governance and effective internal controls in place. <i>(part relating to CGI relevant to H&amp;SC IJB)</i>	Substantial assurance. Roles and responsibilities are clearly defined in the CGI IT contract. The IT contract is managed by suitably experienced contract owners and managers. There are also clear processes for resolving disputes. Good governance arrangements are in place within the CGI IT contract. The change process is well defined and commercial changes are made on a regular basis. There are several regular meetings at different levels between CGI and Scottish Borders Council. Performance monitoring arrangements are well defined in the CGI IT contract. A monthly balanced scorecard which includes targets and RAG status is widely circulated. Key Performance Indicator (KPI) exceptions are highlighted together with any service credits due.  No recommendations relating to CGI Contract Management.
	Attendance Management (2022/23)	To ensure there are adequate controls in place to manage short- and long-term absences to minimise the impact on service delivery.	Substantial assurance (policies and procedures, system triggers, reporting, and links to employees wellbeing); Limited assurance (training and compliance on completion).  One Medium and one Low recommendations to update the 'Managing Attendance' eLearning course and ensure Line Managers completion of training.
	Performance Management (Local Government Benchmarking Framework) (2022/23)	To provide independent validation of performance indicators which are reported on an annual basis to the Improvement Service as part of the Local Government Benchmarking Framework (LGBF).	Substantial assurance on the data included within the 2021/22 LGBF Return, though there were limitations in the validation of two of the Culture & Leisure indicators due to insufficient supporting documentation being made available.  Internal Audit validation testing found anomalies for 3 of the performance indicators. These have been resolved and amended figures included in the LGBF return prior to submission to the Improvement Service.  One Low recommendation to improve processes for both producing verifying and the annual LGBF return within Live Borders to ensure accurate and timely data.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee</p> <p>15 June 2022</p> <p>(Source: Minutes of meeting received on request)</p>	<p>Audit Follow Up Report</p>	<p>Follow up on progress by Management with the implementation of Internal Audit recommendations.</p>	<p>Of the 18 recommendations being followed up, six were not yet due, three had been closed, six were ongoing and no response had been received for three (two of these were medium rated and one was low).</p> <p>The Audit Committee noted verbal updates on outstanding recommendations by relevant Managers on: Estates &amp; Facilities; Covid19 Governance Arrangements/Remobilisation; and GDPR and Information Governance Arrangements.</p>
	<p>Internal Audit Report – IT Recovery and Resilience (2021/22)</p>	<p>To review the arrangements in place for disaster recovery and resilience.</p>	<p>Overall rating of partial assurance with improvement required and the findings resulted in three high and one medium rated recommendations. High risk recommendations noted insufficient disaster recovery and business continuity procedures in place, insufficient disaster recovery and business continuity testing, and insufficient business impact assessments. Medium rated recommendation noted backup and restore policies for systems not being clearly documented</p>
	<p>Internal Audit Report – Workforce Recruitment and Retention (2021/22)</p>	<p>To evaluate the adequacy of internal controls in place around staff recruitment and retention.</p>	<p>Overall rating of partial assurance with improvement required and the findings resulted in one medium, one low and one advisory rated recommendations. Medium recommendation noted evidence confirming right to work status is not always held by the organisation. Low recommendation highlighted a low level of completion of annual appraisals and policy and guidance documents being out of the date.</p>
	<p>Internal Audit Report – Health &amp; Safety Reporting (2021/22)</p>		<p>Overall rating of partial assurance with improvement required and the findings resulted in one high and three medium rated recommendations. High recommendation related to RIDDOR events not being reported within the defined timescales. Medium recommendations highlighted that staff identified as adverse event approvers in Datix had not completed the approver training, adverse events were not being reviewed and approved on Datix within the 14 day timescale, and lessons learned are not shared across the organisation.</p>



Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee 15 June 2022  (Source: Minutes of meeting received on request)  (cont'd)</p>	<p>Internal Audit Annual Report 2021/22</p>	<p>Provide a summary of the work undertaken throughout the year and include the annual audit opinion.</p>	<p>The full audit plan had been delivered. The executive summary noted that throughout the audits a total of 20 recommendations had been raised, all of which have been accepted by Management; six of these were rated high, eight medium, four low and two advisory. The Head of Internal Audit's opinion for 2021/22 on risk management, internal control and governance was partial assurance with improvement required. Although this was the same opinion as previous year, there had been a slight improvement and was a satisfactory position for the Board to be in.</p>
<p>NHS Borders Audit Committee 23 June 2022  (Source: Minutes of meeting received on request)</p>	<p>No Internal Audit reports considered at this meeting.</p>		
<p>NHS Borders Audit Committee 28 August 2022  (Source: Minutes of meeting received on request)</p>	<p>No Internal Audit reports considered at this meeting.</p>		

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

This page is intentionally left blank

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



Meeting Date: 19 December 2022

<b>Report By:</b>	Jill Stacey, SB IJB Chief Internal Auditor
<b>Contact:</b>	Jill Stacey (Scottish Borders Council's Chief Officer Audit & Risk; SB IJB Chief Internal Auditor)
<b>Telephone:</b>	01835 825036 / 07824 431003
<b>PROGRESS UPDATE ON DELIVERY OF INTERNAL AUDIT ANNUAL PLAN 2022/23 FOR SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD</b>	
<b>Purpose of Report:</b>	To present an update on progress with the delivery of the Internal Audit Annual Plan 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board (SBIJB), 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.
<b>Recommendations:</b>	The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> <li>(a) note the progress made in the first six months of the year to deliver the approved Scottish Borders Health and Social Care Integration Joint Board Internal Audit Annual Plan 2022/23 (Appendix 1); and</li> <li>(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.</li> </ul>
<b>Personnel:</b>	The Internal Audit service to SBIJB is provided by Scottish Borders Council's Internal Audit team which reflects the Council's contribution of corporate support resources to partnership working. Staff assigned to perform 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 Public Sector Internal Audit Standards (PSIAS)) needed to deliver the plan.  The SBIJB Internal Audit Annual Plan 2022/23, approved by the IJB Audit Committee on 14 March 2022, allocated 45 days to support the delivery of the Plan.
<b>Carers:</b>	There is no direct impact on carers arising from the contents of this report.
<b>Equalities:</b>	There are no direct equalities and diversities implications arising

	from the contents of this report.
<b>Financial:</b>	There are no direct financial implications arising from the contents of this report.
<b>Legal:</b>	<p>The Scottish Borders Health and Social Care Integration Joint Board (SBIJB), 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>
<b>Risk Implications:</b>	<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>The SBIJB Internal Audit Annual Plan 2022/23 has been informed by the risks, controls and mitigation actions as set out within the SBIJB's Strategic Risk Register to ensure that Internal Audit plans are risk-based and provide relevant assurance.</p> <p>Discussions with the SBIJB's Chief Officer and Chief Finance Officer continue on a regular basis to ensure Internal Audit assurance meets the needs of the SBIJB and Management and other key stakeholders. There are no amendments at this time relating to the SBIJB Internal Audit Annual Plan 2022/23 that require approval by the SBIJB Audit Committee.</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. Where appropriate, existing mechanisms embedded within both NHS Borders and Scottish Borders Council will continue to be used to provide assurance to the SBIJB.</p>

## 1 Background

- 1.1 Internal Audit is an independent appraisal function established for the review of the governance arrangements and internal control system of the Scottish Borders Health and Social Care Integration Joint Board to provide the statutory Internal Audit annual assurance and opinion. It objectively examines, evaluates and reports on the adequacy of governance and internal control as a contribution to the proper, economic, efficient and effective use of resources and the management of risk.
- 1.2 The Public Sector Internal Audit Standards (PSIAS) require the SBIJB's Chief Internal Auditor to prepare an annual report that incorporates the statutory audit opinion on the adequacy and effectiveness of SBIJB'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.
- 1.3 The Scottish Borders IJB Internal Audit Annual Plan 2022/23, which was approved by the SBIJB Audit Committee on 14 March 2022, includes sufficient work to enable the SBIJB Chief Internal Auditor to prepare the statutory independent and objective audit opinion to the year ending 31 March 2023.
- 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 Progress Update

- 2.1 The Appendix 1 to this report provides details of the half yearly progress by Internal Audit with its work activity to deliver the approved SBIJB Internal Audit Annual Plan 2022/23. Those audits which are underway to reflect their continuous audit approach are highlighted in light shading and those scheduled for the second half of the year are not shaded. The SBIJB Internal Audit Annual Plan 2022/23 should be considered to be flexible and has been periodically reviewed to ensure it reflects any new arrangement or changing risks and priorities. There are no amendments at this time relating to the SBIJB Internal Audit Annual Plan 2022/23 that require approval by the SBIJB Audit Committee.
- 2.2 The continuous audit approach which is applied to Internal Audit work for the SBIJB enables Internal Audit to provide added value advice on internal controls and governance and 'critical friend' consultancy services as the SBIJB continues to develop its governance and transforms its service delivery.
- 2.3 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.

This page is intentionally left blank

### Follow up of Internal Audit Recommendations

There were four recommendations in the 2021/22 Internal Audit Annual Assurance Report, two still in progress from the previous year and two new.

Recommendation	Current Status at 30 November 2022
<b>1 (2020/21) Workforce Planning</b>	<p style="text-align: center;"><b>Medium</b></p>
<p>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. (AUDIT.140)</p>	<p>An integrated Workforce Plan 2022-2025 has been developed, issued for consultation on 7 October 2022, and approved by the IJB on 31 October 2022 at an Extraordinary Meeting, prior to submission to the Scottish Government. Next steps: Alignment of the Workforce Plan with the Strategic Commissioning Plan and the Financial Plan. Complete.</p> <p>Responsible Owner: Chief Officer      Due Date: July 2022</p>
<b>2 (2020/21) Corporate Governance – MSG Actions / Best Value Areas of Improvement</b>	<p style="text-align: center;"><b>Medium</b></p>
<p>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. (AUDIT.141)</p>	<p>Management in the Partnership will undertake formal update on progress of the consolidated MSG improvement actions and Best Value areas of improvement action plan. Internal Audit will independently review evidence for the IJB. Due date amended from October 2022 to March 2023.</p> <p>Responsible Owner: Chief Officer      Due Date: <b>March 2023</b></p>
<b>3 (2021/22) Corporate Governance – Communications/Consultation</b>	<p style="text-align: center;"><b>Medium</b></p>
<p>The Communications Strategy requires review (last reviewed 2018) to ensure that it remains relevant in the current environment. (AUDIT.175)</p>	<p>The communication and engagement approach that is being applied in practice will be reflected in the updated strategy, after the IJB Strategic Commissioning Plan process and timelines which takes priority. Due date amended from December 2022 to March 2023.</p> <p>Responsible Owner: Chief Officer      Due Date: <b>March 2023</b></p>
<b>4 (2021/22) Corporate Governance – Decision making</b>	<p style="text-align: center;"><b>Low</b></p>
<p>Report templates used for decision making should include specific sections for consultation and sustainability to demonstrate that these areas have been adequately considered. (AUDIT.176)</p>	<p>A revised IJB Report template has been developed to enhance information on the implications of decisions and other aspects, to ensure the IJB is able to demonstrate that it is complying with legislation. This will be presented to Strategic Planning Group (SPG) for approval. 50% progress. Due date amended from September to December 2022.</p> <p>Responsible Owner: Board Secretary      Due Date: <b>December 2022</b></p>

This page is intentionally left blank



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



Meeting Date: 19 December 2022

<b>Report By:</b>	Jill Stacey, SB IJB Chief Internal Auditor
<b>Contact:</b>	Jill Stacey (Scottish Borders Council's Chief Officer Audit & Risk; SB IJB Chief Internal Auditor)
<b>Telephone:</b>	01835 825036 / 07824 431003
<b>PROGRESS ON IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS</b>	
<b>Purpose of Report:</b>	To provide an update to Members of the IJB Audit Committee on the status of the implementation by Management of recommendations made and agreed in the Internal Audit Annual Assurance Reports 2020/21 and 2021/22 for the Scottish Borders Health and Social Care Integration Joint Board.
<b>Recommendations:</b>	The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> <li>(a) Note the current status of progress made by Management in implementing Internal Audit recommendations to improve internal controls and governance, and mitigate risks;</li> <li>(b) Agree to the revised due dates of three of the Internal Audit recommendations requested by the IJB Chief Officer; and</li> <li>(c) Notes that Internal Audit will continue to monitor for completion the open Internal Audit recommendations and will provide update reports to this Committee.</li> </ul>
<b>Personnel:</b>	The Internal Audit service to SBIJB is provided by Scottish Borders Council's Internal Audit team which reflects the Council's contribution of corporate support resources to partnership working. Staff assigned to perform 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 Public Sector Internal Audit Standards (PSIAS)) needed to deliver the plan.
<b>Carers:</b>	There is no direct impact on carers arising from the contents of this report.
<b>Equalities:</b>	There are no direct equalities and diversities implications arising from the contents of this report.
<b>Financial:</b>	There are no direct financial implications arising from the contents of this report.

<b>Legal:</b>	<p>The Scottish Borders Health and Social Care Integration Joint Board (SBIJB), 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>
<b>Risk Implications:</b>	<p>Internal Audit provides assurance to SB IJB Management and the Audit Committee on the adequacy and effectiveness of internal controls and governance within the Council, including risk management, highlights good practice and makes recommendations.</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 made during the year or outstanding from previous years.</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 Internal Audit activity adds value to the organisation (and its stakeholders) when it considers strategies, objectives, and risks; strives to offer ways to enhance governance, risk management and control processes (by way of making audit recommendations); and objectively provides relevant assurance.
- 1.2 Management has the responsibility for ensuring that agreed audit actions are implemented to address any identified weaknesses or improvement in governance and internal controls and to mitigate risks. At Internal Audit Final Report stage, the Audit Recommendations are input to Pentana, the Council's corporate performance management system. This is designed to assist with Management tracking of implementation, link with relevant risks and evidence continuous improvement.
- 1.3 The Remit of the IJB Audit Committee includes the function to "receive reports and oversee and review progress on actions taken on audit recommendations and report to the IJB on these as appropriate", as part of its high level oversight of the framework of internal control, risk management and governance within the Scottish Borders Health and Social Care Integration Joint Board. The Internal Audit Recommendations were included within the Internal Audit Annual Assurance Report 2021/22 that was presented to the IJB Audit Committee on 20 June 2022.

- 1.4 Internal Audit continues to perform its standard quarterly follow-up activity to check that audit recommendations have been implemented and to ensure that the new arrangements had the desired effect on improving internal control and governance, and reducing risk. Internal Audit meets regularly with the IJB Management to address any audit actions, and the IJB Chief Internal Auditor brings any matters to the attention of the IJB Audit Committee on a 6-monthly basis.

## **2 Progress Update**

- 2.1 There are currently four In-Progress Internal Audit recommendations for the Scottish Borders Integration Joint Board, all of which were those included within the Internal Audit Annual Assurance Report 2021/22 that was presented to the IJB Audit Committee on 20 June 2022. Two of which were brought forward from the previous year's report 2020/21 as they were not yet completed.
- 2.2 The IJB Chief Internal Auditor has met with the IJB Chief Officer on a monthly basis to ensure awareness of the four In-Progress Internal Audit recommendations. These meetings have included the IJB Chief Finance Officer since her permanent appointment in August 2022. The current status as at October 2022 for each of the four In-Progress Internal Audit recommendations is shown in Appendix 1.
- 2.3 The No.1 Internal Audit recommendation (2020/21) on Workforce Planning was completed on 31 October 2022 following IJB approval to the Integrated Workforce Plan 2022 to 2025; whilst this was beyond the original due date of 31 July 2022, the revised completion deadline issued by the Scottish Government was achieved. Progress has been made in respect of actions to address the other three Internal Audit recommendations (No.2 (2020/21) Progress review of MSG Actions / Best Value areas of improvement, No.3 (2021/22) Communications & Consultation Strategy refresh, and No.4 (2021/22) Additions to Decision Making Report Templates); however, capacity constraints and focus on other priorities means that these are expected to be completed beyond the original agreed due dates. The IJB Chief Officer has requested extensions to due dates of 31 March 2023, 31 March 2023 and 31 December 2022 respectively to ensure these represent realistic timescales for their full implementation. These have been approved by Internal Audit based on the activity already underway and further work planned to fully implement these recommendations. The Pentana system has been updated to reflect this. The IJB Audit Committee is asked to endorse this.
- 2.4 A further update on progress with the implementation of Internal Audit recommendations will be included within the Internal Audit Annual Assurance Report 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board, which is scheduled for presentation to the IJB Audit Committee in June 2023.

This page is intentionally left blank

Peter Murray  
Vice Chair  
East Lothian Integration Joint Board

15 July 2022

Dear Peter

### **Best Value in Integration Joint Boards**

I know that my predecessor has engaged with many of you over the past couple of years about the Accounts Commission's intention to develop a new approach to auditing Best Value (BV) in Integration Joint Boards (IJBs). Audit Scotland then developed the new BV audit approach and piloted it in two IJBs in 2021.

We have always maintained that our emerging proposals would need to be flexible and take account of the Feeley independent review of social care. Since the Commission agreed to introduce a new approach to auditing BV in IJBs the Scottish Government has made a commitment to deliver a National Care Service (NCS) before the end of this parliament, i.e. by end 2026. Under the current proposals IJBs will be reformed into local care boards, accountable to Scottish Ministers and the new bodies will therefore be audited by the Auditor General for Scotland. This significant structural and organisational change, combined with wider issues associated with the proposed creation of the NCS, such as the need to consider the impact of planning for the introduction of the NCS on IJBs, raised some important questions about our current plans for auditing BV in IJBs.

I am now writing to inform you that after careful consideration and given the direction of travel regarding the NCS and having engaged intensively with stakeholders, the Accounts Commission has taken the decision not to proceed with the planned roll out of a new approach to auditing BV in IJBs.

The Commission has instead agreed to undertake a broad-based programme of national and local audit work on IJBs which we believe will have greater impact and make better use of audit resources than the Commission's plan to implement a new approach to auditing BV in IJBs. We anticipate that this programme of work will include:

- a further joint national performance audit with the Auditor General for Scotland on progress with health and social integration (including the identification of good practice);
- national thematic performance audit work in areas such as social care workforce planning and commissioning;
- a continued focus on IJB risks and performance through annual audit reports; and
- audit work in conjunction with the Auditor General for Scotland on Scottish Government planning and preparations for the new NCS.

The new proposals have been designed to ensure that the Commission (and where appropriate the AGS) are providing robust independent oversight and public reporting at both national and local level on the current performance of IJBs as well as monitoring and reporting on the risks and challenges created by the proposed creation of the new NCS.

We will keep you informed regarding our future programme of audit work as it progresses. I am keen in maintaining regular engagement with stakeholders in IJBs in coming months, and therefore will be in touch further.

Meantime, however, if you have any queries about our proposals, then please do not hesitate to get in touch.

Yours sincerely

A handwritten signature in black ink that reads "William Moyes". The signature is written in a cursive style with a prominent initial 'W' and a long, sweeping tail on the 'y'.

**William Moyes**  
**Chair**

Ref	Date	Service	Purpose	Direction	Sep-23	Dec-23
SBIJB-151221-1	02/02/22	Workforce	Development of plan	Development of a HSCP Integrated Workforce Plan, including support of immediate workforce sustainability issues		
SBIJB-151221-2	02/02/22	Strategic Commissioning	Development of plan	Resource support for the development of the IJB's Strategic Commissioning Plan		
SBIJB-151221-3	02/02/22	Care Village Tweedbank and Care Home Hawick	Development of FBC	Development of Full Business Cases for Care Village in Tweedbank, and the scoping of Care Home Provision in Hawick to Outline Business Case		y
SBIJB-020322-1	02/02/22	Millar House	Commissioning	Commissioning the Millar House Integrated Community Rehabilitation Service		
SBIJB-150622-2	16/06/22	Day services for adults with learning disabilities	Commissioning	To recommission a new model of Learning Disability Day Services by going to the open market		
SBIJB-150622-3	16/06/22	Pharmacy support to social care users	Polypharmacy	To provide an Integrated service for all adult social care service users		
SBIJB-150622-4 Budget	16/06/22	All	Budgetary framework	To deliver services within the budgets and under the framework outlined in Item 5.7 of the 15 June 2022 Integration Joint Board	y	
SBIJB-151221-3	21/09/22	Care Home Hawick update	Development of FBC	Hawick Outline Business Case		y

SBIJB-150622-5	16/06/22	Health Board Oral Services	Development of plan	To provide support for the production of an Oral Health Plan		
SBIJB-21-09-22-01	21/09/22	Hospital at home	Scope the development of Hospital at home	Develop a business case to come back to IJB for approval		
SBIJB-210922-2	21/09/22	Integrated home based reablement service	Report to IJB with business case for integrated SB Cares and Home First Service	Develop a business case to come back to IJB for approval		
SBIJB-210922-3	21/09/22	Palliative Care review	To commission an independent palliative care review	Scope and outcomes as described in paper with full engagement and integrated approach. To improve outcomes and reduce costs through a programme budgeting approach		
SBIJB-020922-1	21/09/22	Primary Care Improvement Plan	Manage PCIP within existing funding	PCIP Exec to deliver outcomes from non recurrent spend, and reprioritise the use of available recurrent funding. PCIP Exec to escalate at a national level regarding inadequacy of funds and the risks associated with that.		



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



Meeting Date: 19 December 2022

<b>Report By:</b>	Hazel Robertson, Chief Financial Officer
<b>Contact:</b>	Hazel Robertson
<b>Telephone:</b>	07929 760533
<b>SCOTTISH BORDERS IJB DIRECTIONS TRACKER</b>	
<b>Purpose of Report:</b>	To provide an overview of progress against outstanding Directions
<b>Recommendations:</b>	The Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> <li>a) Note the status of outstanding Directions</li> <li>b) Seek assurance regarding timescales, costs and outcomes</li> </ul>
<b>Personnel:</b>	No implications
<b>Carers:</b>	No implications
<b>Equalities:</b>	No implications
<b>Financial:</b>	Each direction sets out financial consequences (if any)
<b>Legal:</b>	Each direction sets out legal consequences (if any)
<b>Risk Implications:</b>	Without having an effective Directions process the HSCP may not be able to fully implement and see the benefits associated with IJB decisions. Service changes may not be delivered within the financial envelope approved.
<b>Direction required:</b>	No Direction required

### **Situation**

This tracker has been created to provide the IJB with oversight of all outstanding directions.

### **Background**

This tracker will allow the IJB Audit Committee to focus on areas requiring most scrutiny.

### **Assessment**

At this time there is significant work ongoing in relation to these directions.

Planning work is significantly progressed, with an approved Workforce Strategy and extensive work underpinning the Strategic Commissioning Plan – needs assessment, engagement, strategic priorities, and drafting of the SCP. The relaunch of locality groups is progressing to target timescales.

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



Meeting Date: 19 December 2022

<b>Report By:</b>	Hazel Robertson, IJB Chief Finance Officer
<b>Contact:</b>	Hazel Robertson
<b>Telephone:</b>	07929 760533
<b>PROGRESS WITH DIRECTION: SBIJB-020922-1 MANAGE PCIP WITHIN EXISTING FUNDING</b>	
<b>Purpose of Report:</b>	To receive assurance of implementation of IJB Direction
<b>Recommendations:</b>	The Health & Social Care Integration Joint Board Audit Committee is asked to: <ul style="list-style-type: none"> <li>a) Note the feedback on actions taken by the PCIP Executive Group</li> <li>b) Consider and agree that this direction has been implemented appropriately.</li> </ul>
<b>Personnel:</b>	Funding for community link workers has been secured from another funding allocation
<b>Carers:</b>	No impacts
<b>Equalities:</b>	No EQIA issues
<b>Financial:</b>	PCIP will break even this financial year; investment in CTAC Phlebotomy service is being progressed through re-prioritisation of projects. Shortfall in funding to fully implement the GP contract for next year has been identified as £2.3million.
<b>Legal:</b>	Potential penalties may be invoked for incomplete implementation of the GP contract.
<b>Risk Implications:</b>	The Vaccine Transformation Programme is currently funded from Covid funding. The CTAC programme is limited to Phlebotomy. We have not yet received tranche 2 allocation and there is a risk that Scottish Government will hold back more central funding in anticipation that this will be met by IJB reserves.

**Situation**

SBIJB-020922-1 was issued by the IJB following a change in the funding approach for the Primary Care Improvement Programme, by Scottish Government. This report provides an update on implementation of that direction.

## Background

Scottish Government have assumed that reserves balances will be used first, before new funding. Only 70% of the annual funding allocation has been released pending further review based on reserves balances at end September.

The Direction asked the PCIP Executive::

1. Deliver agreed project outcomes using the reserves brought forward totalling £1,522,980
2. Review current project spend from main allocation to determine whether any spend can be met from reserves
3. Review the priorities for recurring activity with a view to targeting resources to higher priority workstreams.
4. Comply with commissioning (and decommissioning) guidance, involving and seeking approval from Strategic Planning Group and IJB as required.
5. Plan, initiate and monitor ongoing workstreams funded via the allocation from Scottish Government of 70% of annual allocation - £2,312,902 plus projected 30% balance.
6. Jointly, liaise with Scottish Government to advise that reserves are fully committed, express concern about level of funds available, no funding for pay awards and assumption that reserves can be used to cover recurrent spend. Highlight funding gap of £2.511m and implications of not being able to fully implement the GP contract.
7. Identify risks and issues associated with insufficient funding level, and develop mitigating strategy.

## Assessment

Total brought forward reserves were £1,522,980 as per IJB audited accounts. The PCIP Executive team have confirmed that all reserves balances have been committed therefore cannot be returned to Scottish Government. If SG accepts that position we should receive a further £79k (the amount deducted from tranche 1 funding).

The PCIP Executive team have agreed that the Community Link Workers programme should be deprioritised for funding from the PCIP allocation. Further discussion has led to funding being found from within the Multi-Disciplinary Team allocation which has been increased this year. This service is to be reviewed to ensure we achieve maximum benefits.

Budget of £0.168m is available for another priority area.

The PCIP Executive Team have agreed that the priority area for investment is in a Phlebotomy Service which is a move towards wider Community Treatment and Care (CTAC). Establishment of this service was the primary focus for the meeting held on 6 December.

The PCIP Finance Report sets out the future financial challenge which involves a forecast budget requirement of £7.112m, and a funding gap of £2.3m. The three year budget projection from the tracker submitted to Scottish Government is noted below.

All figures in £000s		2021-22 outturn	2022-23 forecast	2023-24 forecast (5)
<b>PCIF programme:</b>	<b>Category</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
Vaccination Transfer Programme	Staff costs	0	848	891
	Non-staff costs	0	129	129
Pharmacotherapy services	Staff costs	123	996	1,094
	Non-staff costs	-24	29	42
Community Treatment and Care Services	Staff costs	-59	858	1,780
	Non-staff costs	0	0	200
Urgent care services	Staff costs	46	856	960
	Non-staff costs	71	110	56
Additional Professional Roles (including MSK physiotherapists and mental health)	Staff costs	552	1,623	1,705
	Non-staff costs	-8	9	33
Community Link Workers	Staff costs	-28	152	160
	Non-staff costs	-8	8	8
Other - please provide detail in Description box	Staff costs	N/A	37	42
	Non-staff costs	N/A	14	12
<b>Total Expenditure</b>		<b>665</b>	<b>5,669</b>	<b>7,112</b>

The Vaccination Transfer Programme is currently funded through Vaccination funding as part of the COVID allocation.

Finally, because this programme of activity is funded via earmarked reserves, it means that no new funding is received to pay for pay awards.

The PCIP Executive Group have met the brief of the original direction however it can be noted from the above analysis that there are still significant funding issues which are adversely affecting their ability to fully implement the GP contract. This funding challenge will require further consideration in the context of our developing Strategic Commissioning Plan and financial plan/budget for 2022/23. The financial position has been discussed in depth with the national GMS team and is being highlighted to the GMS Oversight Group by Ralph Roberts, Chief Executive, and a member of this Group.

This page is intentionally left blank

# Drug and alcohol services

An update



Prepared by Audit Scotland  
March 2022

# Key messages

- 1** In Scotland, 1,339 people died from drug-related causes in 2020 – the highest ever reported and the highest rate in Europe. Although the number of people dying from alcohol had started decreasing in the early 2000s, it began increasing again around ten years ago and there were 1,190 deaths in 2020. Problem alcohol use also causes wider harm from other related health conditions, crime and economic costs. Long-standing inequalities remain, with people living in the most deprived areas most affected by drug and alcohol use.
- 2** Progress addressing these challenges has been slow since we first reported on drug and alcohol services in 2009, with a lack of drive and leadership by the Scottish Government. Delivery of drug and alcohol services is complex, with many organisations working across different sectors, and clearer accountability across all partners is needed.
- 3** Overall funding to alcohol and drug partnerships reduced over several years but by April 2021 it returned to around the level it was six years ago in cash terms, but with no real terms increase in funding. From 2021/22, ADPs will receive a further £20 million each year over five years. The Scottish Government has provided additional investment over the last few years for new initiatives, including a drug deaths taskforce and new evidence-based treatments and standards. However, it is too early to assess their effectiveness and it is still difficult to track spending and how it is being distributed and monitored.



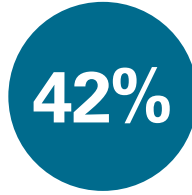
- 4 Work is under way to evaluate new initiatives and improve data, but there are still gaps. More focus is needed on addressing the root causes of drug and alcohol dependency and breaking the cycle of harm affecting multiple generations across communities. The Scottish Government needs to set out a clear integrated plan on how additional investment can be used most effectively and demonstrate how it is improving outcomes. Good quality, frequent and timely data will be crucial in supporting clear performance measurement and public reporting.
-

## Key facts



### Drug-related deaths

- Drug-related death rate highest since 2011 for people aged 35-44 years old (61 per 100,000 population)
- In 93% of all drug-related deaths more than one drug was present in the body
  - 89% opiates/opioids, such as heroin/morphine and methadone
  - 73% benzodiazepines, such as diazepam and etizolam.



### 42% of those who recently used drugs reported the use of heroin. The next most frequently reported were:

- cocaine/crack cocaine (36%)
- diazepam (29%) and cannabis (29%).

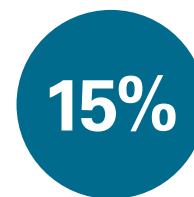


### 9.4 litres of pure alcohol sold per adult in Scotland (18 units per adult per week)

- lowest level recorded since 1994
- 6% higher than in England & Wales.



**People in the most deprived areas were 18 times as likely to have a drug-related death as those in the least deprived areas, and 8 times more likely to have an alcohol-related death or hospital stay**



**15% of concerns raised at child protection case conferences related to parental substance misuse (1,135 of 7,315)**

Note all figures are for 2020.

Drug-related deaths include all deaths with an underlying cause of drug poisoning or drug abuse where substances involved are controlled in the UK (subject to high levels of regulation because they are addictive or harmful). This means that deaths from other drugs such as aspirin or paracetamol are not included (there were a further 122 drug poisoning deaths excluded from the drug-related deaths count).

# Introduction

**1.** In 2019, we provided an [update](#) on progress in tackling the high rates of ill health and deaths in Scotland from drug and alcohol-related problems since our last [report](#) in 2009. We highlighted that deaths and morbidity remained high in Scotland compared to the rest of UK and Europe and problem drug and alcohol use was still very much linked to deprivation. These issues remain and the First Minister has described the rising drugs deaths in Scotland as an emergency and a [national disgrace](#).

**2.** This high-level briefing provides a further update on the key challenges and areas for improvement, which we plan to follow up with more detailed work. Our findings are based mainly on analysis of publicly available data, desktop research and meetings with the Scottish Government, Public Health Scotland and the Scottish Drug Forum.

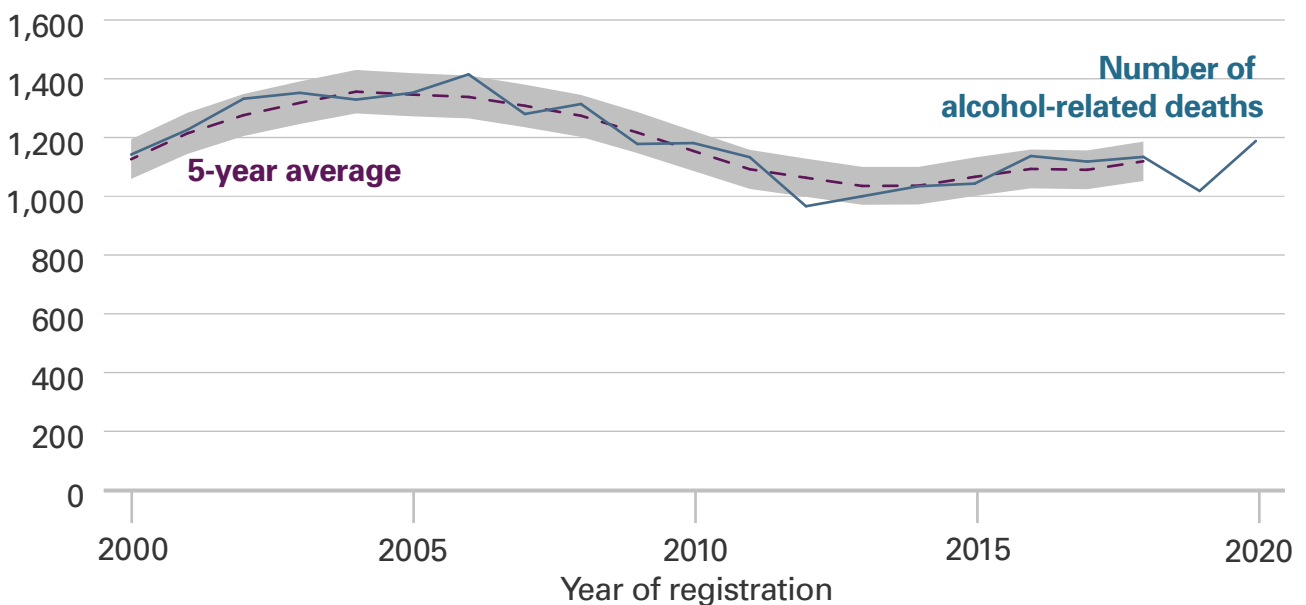
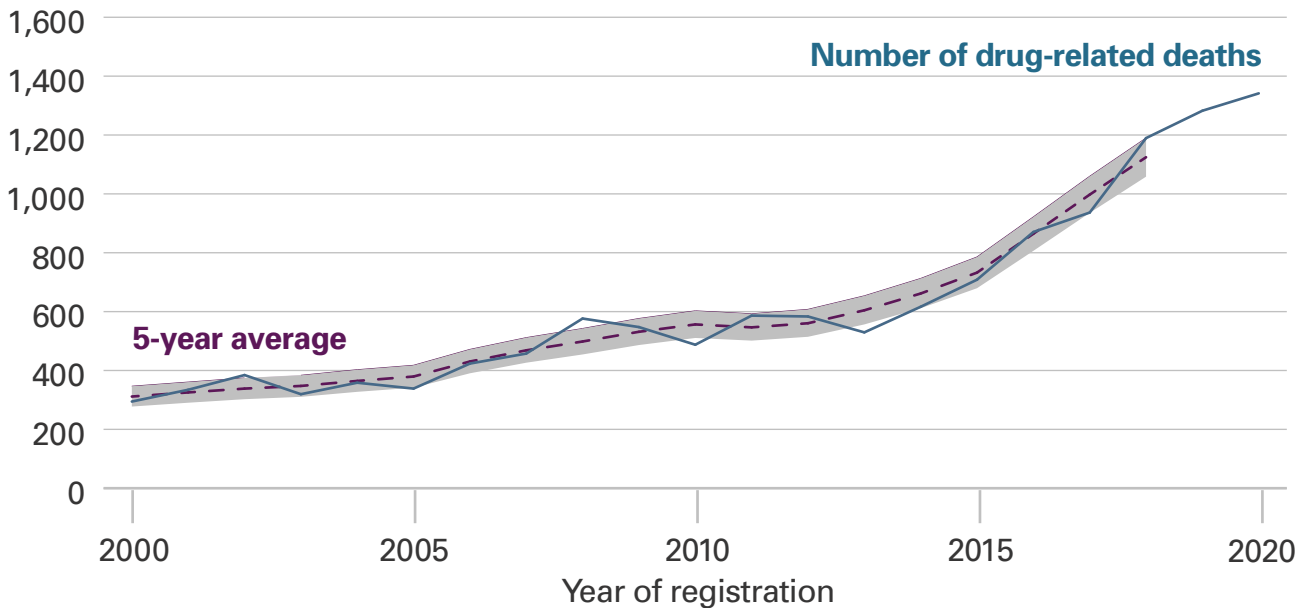
## Drug and alcohol deaths continue to increase and inequalities remain

**3.** Most drug-related deaths are in people aged 35-54, but this is increasing across all age groups, particularly in people aged 25-34. Alcohol-related deaths reduced and levelled off over the last 15 years but are showing signs of increasing again ([Exhibit 1, page 6](#)). Deaths are still predominantly among people living in the most deprived areas. Rates of [drug-related hospital stays](#) have increased sharply since 2012/13, from 149 to 284 stays per 100,000 population in 2019/20, with a slight decrease to 270 stays per 100,000 population in 2020/21. [Alcohol-related hospital stays](#) have gradually decreased for over ten years but are much higher at 614 stays per 100,000 population in 2020/21. Alcohol is a [significant contributor](#) to ill health, including cancer and liver disease, and to crime and family breakdown. This in turn leads to costs to the economy.

## Exhibit 1

### Trends in drug and alcohol-related deaths in Scotland

Drug-related deaths have increased sharply since 2013 and alcohol-related deaths started increasing around ten years ago after decreasing in previous years.



Source: Drug-related deaths in 2020, published July 2021 and Alcohol-specific deaths in 2020, published August 2021, National Records of Scotland

**New initiatives have been introduced over the last few years, but it is too early to assess their effectiveness**

4. We noted some successes and innovations in our last update. However, there was a lack of evidence of the impact that services were having on their local communities and stigma remained a significant barrier to treatment and support. Cost effectiveness and value for money of the investment made over the last ten years had not been set out.

5. The Scottish Government published an [alcohol and drug treatment strategy](#), 'Rights, Respect and Recovery', in November 2018. It is founded on a human-rights based, public health approach and sets out the following main challenges:

<p><b>High-risk alcohol and problematic drug use remains high</b></p>	 <p>Drug related deaths and hospital admissions are increasing and remain too high for alcohol</p>	<p>Problematic alcohol and drug use disproportionately impacts deprived communities</p>
 <p>Complex needs of an ageing population</p>	<p>More needs to be done to <b>protect those most at risk</b> of harm and death</p>	 <p>Dynamic and changing drugs market and challenges</p>
<p>Stigma remains a significant barrier</p>	<p>Services need to be person-centred, trauma-informed and better integrated</p> 	 <p>The whole family needs support</p>
 <p>Respect, diversity and ensure equity</p>	<p><b>Fewer people</b> (including young people) are <b>using drugs and drinking alcohol</b></p>	<p>Recovery communities are flourishing</p> 
 <p>Information and evidence is vital</p>	 <p>The Justice System has a role to play</p>	<p>Need to <b>build on Partnership working</b></p> 

**6.** Over the last 12-18 months the Scottish Government has strengthened its approach with increased resources in a new drug policy division and alcohol treatment team. Recently it has increased support to local alcohol and drug partnerships (ADPs) and has regular regional meetings to discuss issues and share learning. In October 2019, the government set out [actions, milestones and timeframes](#) up to March 2021 for implementing its strategy. Over the past three years, key developments include:

- July 2019 – a [drug deaths taskforce](#) set up to ‘coordinate and drive action to improve the health outcomes for people who use drugs, reducing the risk of harm and death’ ([paragraph 9, page 10](#)).
- December 2020 – a [Drug Policy Minister](#) appointed to lead work on tackling and reducing the harm of drug misuse.
- January 2021 – a [national mission](#) to reduce drug-related deaths and harms, supported by an additional £250 million funding (£50 million each year until the end of the parliamentary term in 2026).
- From early 2021 – [expansion of distribution of take-home naloxone kits](#) to give to people at high risk of accidental opioid overdoses to prevent deaths, including administration by ambulance crews and carried by police.
- June 2021 – new [medication assisted treatment \(MAT\) standards](#) introduced to improve practice in the use of medication, such as opioids, together with any psychological and social support, in the treatment and care of people who experience problem drug use. These aim to give people access, choice and support through drugs services, and are due to be embedded across Scotland by April 2022.
- December 2021 – a campaign launched to tackle [drug and alcohol stigma](#).

**7.** Another key area of the government’s focus has been drug and alcohol residential rehabilitation services. One of the aims of the national mission is to increase capacity in and use of residential rehabilitation. In June 2020, a [residential rehabilitation working group](#) was set up to advise Scottish ministers on a programme of work to improve access to rehabilitation services and it made initial [recommendations](#) in December 2020. The Scottish Government has committed significant investment to support this - £100 million of the £250 million investment committed to tackle drug deaths over the current parliamentary term. A [report](#) was published in November 2021 to inform where funding can most effectively be directed and to help identify barriers and facilitators to accessing residential rehab for those who need it. The Minister for Drug Policy made a [commitment](#) to increase the number of publicly funded placements by more than 300 per cent over five years to at least 1,000 people every year by 2026. Public Health Scotland is [monitoring](#) the number of placements being funded by ADPs.

8. It is likely that the Covid-19 pandemic has affected drug and alcohol services, such as increasing waiting times and access to treatment. However, it is too soon to show in the current available datasets because of the time lag and periodic reporting of drug and alcohol outcomes data. More regular reporting of service performance is needed to make timely assessments of the impact of improvement activity. In April 2020, the Scottish Government set out how it was [supporting services](#) during the pandemic. It provided £166,000 as small grants to help address the impact of Covid-19 on alcohol and drug services. This included increased capacity for helplines, online support and support for family members, and increased access to naloxone in new settings.

### Work is under way to evaluate new initiatives and improve data

9. It is too early to assess the effectiveness of many of these recent developments, but evaluation work is under way:

- Public Health Scotland (PHS) published a [monitoring and evaluation framework](#) for Rights, Respect and Recovery in March 2020. It sets out indicators for monitoring progress with improving outcomes. It also identifies gaps in data and areas for evaluation. Work is ongoing to improve the data available to help monitor and evaluate progress. The Scottish Government and PHS are developing a new framework to incorporate work related to the national mission and residential rehabilitation. An [interactive dashboard](#), which is regularly updated, is available to view indicators linked to outcomes set out in the framework, where the data is available. The indicators are grouped under four categories: prevention and early intervention; recovery-oriented care; public health approach to justice; family support; and health and social harms.
- There has been a considerable delay in the implementation of the Drug and Alcohol Information System (DAISy) national database. This was developed to collect drug and alcohol referral, waiting times and outcome information from staff delivering specialist drug and alcohol interventions. DAISy was due to go live in late 2019 but was delayed until April 2021. There have been challenges with the completeness and quality of data submitted by services, for example, for waiting time data. Work is ongoing to improve data gaps, for example on access to rehabilitation services. Information will be published from the database as it develops. National drug and alcohol treatment waiting times for the quarter April to June 2021 due to be published in September 2021 were published in February 2022.

- The drug deaths taskforce has set out [funding and timescales](#) for each project it is currently undertaking. It made [recommendations](#) to ministers in January 2021 on accelerating the impact of its work and published an [interim report](#) in June 2021 with an update on progress.

**10.** Some of this work was paused due to the pandemic or is being refocused to align with the national mission announced by the Drug Policy Minister in January 2021. In late December 2021, the chair and deputy chair of the drug deaths taskforce resigned because they reportedly felt the pace of change being asked by the minister would not allow enough time to implement sustainable change based on evidence. A [new taskforce chair](#) and [vice chair](#) were announced in January 2022. The minister has asked the taskforce to bring forward its final recommendations planned for December 2022 to the summer.

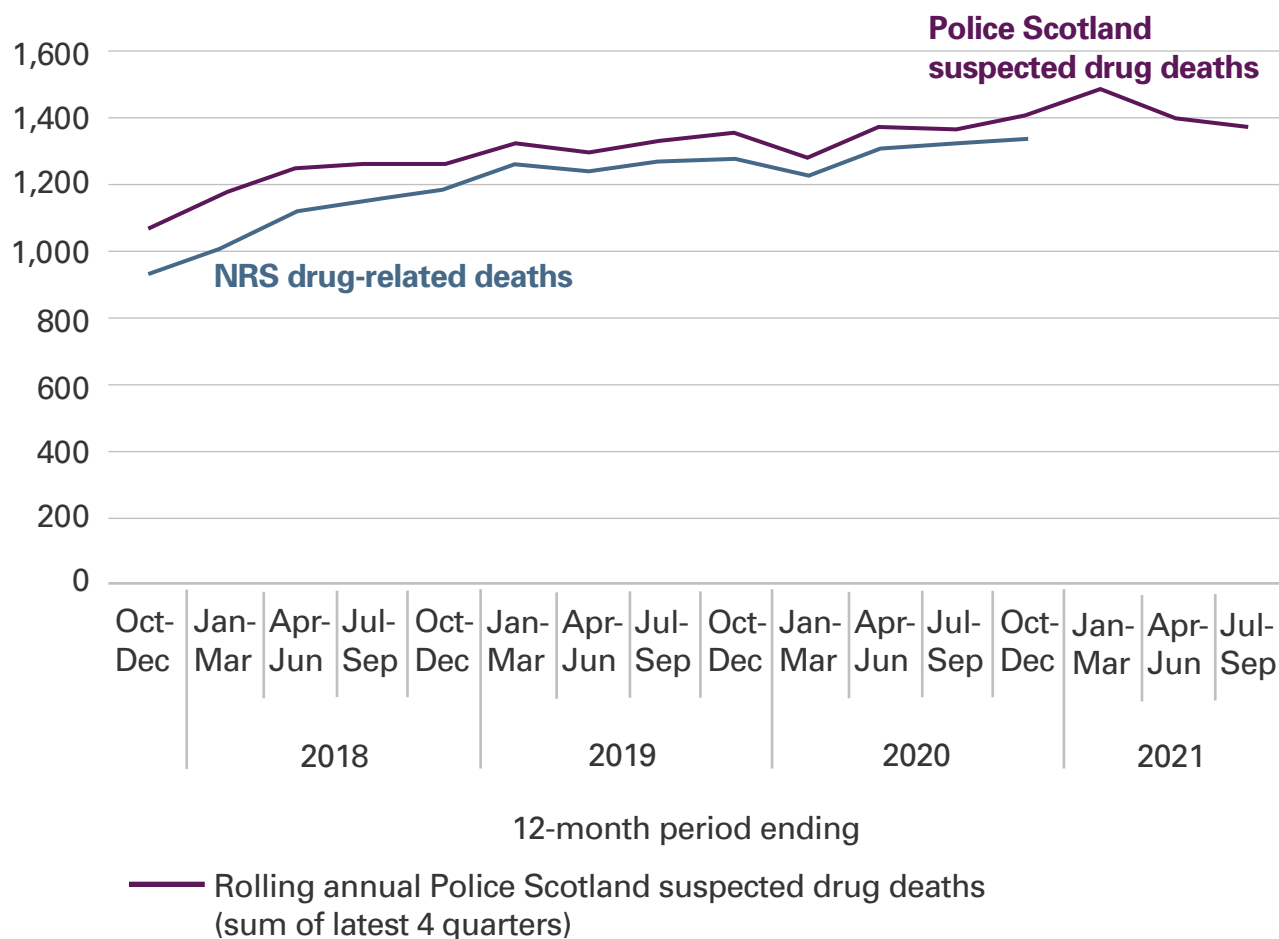
**11.** Other planned work in 2022 includes [ongoing evaluation](#) of alcohol minimum unit pricing (MUP), evaluation of [alcohol brief interventions](#), developing UK-wide clinical guidelines for alcohol treatment, piloting a managed alcohol programme in Glasgow, and developing new treatment targets for 2022/23 for the numbers of people in treatment. In our [2019 update](#), we highlighted that it would be helpful to review the appropriateness of the national waiting time target for access to drug and alcohol services within 21 days, which can be too long for people needing treatment. We also highlighted a need to address high 'did not attend' (DNA) rates, especially as it had been shown that a high proportion of people who died of drug-related causes had never had contact with a drug treatment service. This should be considered as part of the work being carried out in 2022.

**12.** As well as gaps in drug and alcohol data, there is also a considerable time lag in public reporting. As part of its commitment to improve data and surveillance, the Scottish Government began publishing quarterly statistics in September 2021 on suspected drug deaths. These are estimated figures based on information from Police Scotland and supplement the annual statistics published by National Records Scotland on drug-related deaths. The [latest update](#) shows 1,007 suspected deaths from January to September 2021, four per cent (40) fewer deaths than during the first nine months of 2020 ([Exhibit 2, page 11](#)).



## Exhibit 2

### Suspected drug deaths in Scotland by quarter, Oct 2017 to Sep 2021



Source: Suspected drug deaths in Scotland: July to September 2021, Scottish Government, December 2021

### Funding for tackling problem drug and alcohol use reduced over several years but has recently increased significantly

**13.** In 2016/17, Scottish Government annual core funding to ADPs reduced by over 20 per cent in cash terms to £53.8 million (in the previous two years ADPs received a total of £69.2 million per year). ADP funding began to increase again from 2018/19 and stood at £76.8 million in 2020/21:

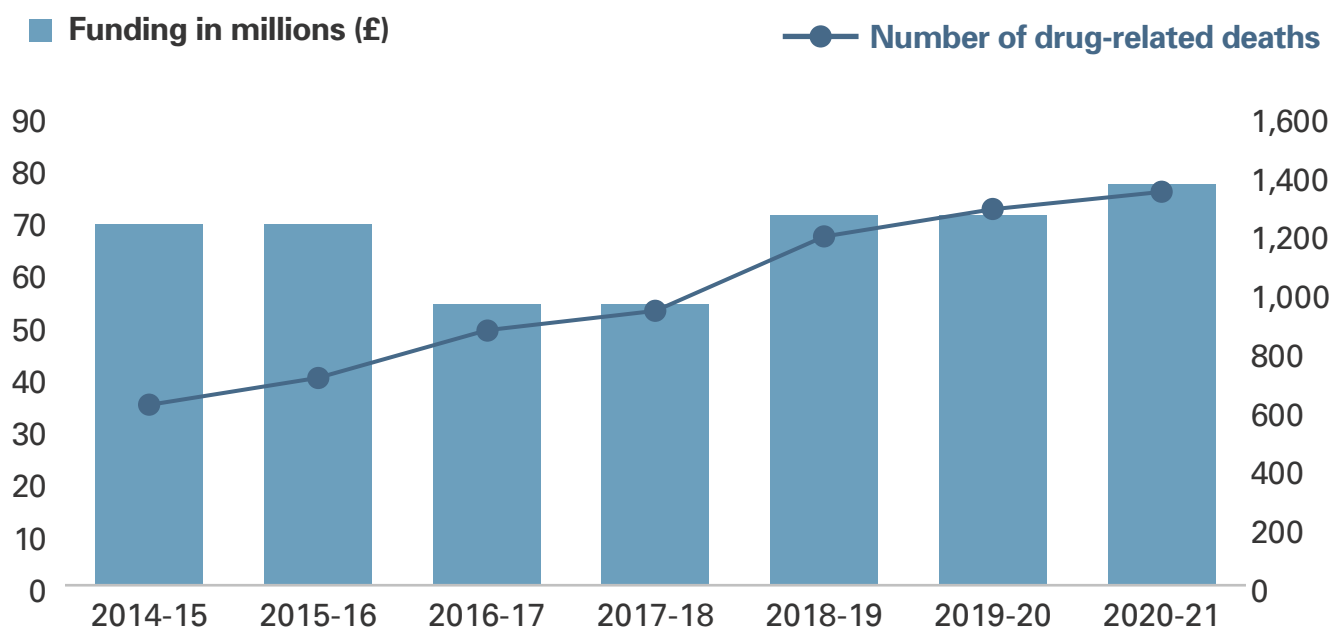
- In the [2017/18 programme for government](#), an additional £17 million was allocated to ADPs to increase annual funding to £70.8 million from 2018/19 to 2020-21. A further £3 million was made available through a [National Development Project Fund](#) which ADPs could apply for awards for projects.
- In 2020/21, an additional £3 million was allocated to ADPs to increase [provision of residential drug rehabilitation placements](#) and improve access to treatment and harm reduction activities. Plus, a further £3 million to [support the work of the drug deaths taskforce](#).

14. This means that Scottish Government funding to ADPs returned to similar levels to around six years ago in 2020/21 with no real terms increase in funding. Over this same period drug-related deaths continued to increase year on year ([Exhibit 3](#)).

## Exhibit 3

### Total number of drug-related deaths and funding to ADPs in Scotland, 2014/15 to 2020/21

Funding for ADPs has fluctuated since 2014/15 while the number of drug related deaths has continued to increase.



Source: Alcohol and Drug Partnerships funding allocations, 2014/15-2020/21, and additional funding information provided by the Scottish Government; Drug-related Deaths in Scotland, 2014-2020, National Records of Scotland

## Spending on drug and alcohol services is difficult to track and needs to be more transparent

**15.** In our 2009 [report](#), we highlighted that funding arrangements for drug and alcohol services were complex and fragmented which made strategic planning difficult. It is still difficult to track spending and how it is being distributed and monitored. The Scottish Government does not publish a full breakdown of all funding in one place and information is incomplete, disparate and presented inconsistently. Various funding announcements are published in different places, including the Scottish Government and Parliament websites, and programme for government and budget documents. Funding is not reported in one place and a full breakdown of funding for ADPs is not available. Currently only core funding is published and does not include funding from other streams.

**16.** In addition to ADP funding, the government has allocated other additional funding since 2018/19 over three years, including £2 million to a challenge fund for preventing homelessness and £1 million to support national and local projects on advocacy services and testing new approaches to recovery. In September 2021, the [Programme for government](#) made a commitment to invest an additional £250 million over the term of this Parliament in the national mission to reduce drug deaths – £50 million each year – with £100 million to be spent on residential rehabilitation over the five years. Overall, the government aims to support better outreach, treatment, rehabilitation, and aftercare services in every council. However, a breakdown of the £50 million has not been published with details of how much will be spent on each area or how the funding will be distributed. Between 2014/15 and 2019/20, overall funding for drug and alcohol services decreased by six per cent in real terms (a slight increase in cash terms from £73.4 to £75.3 million). The recent additional funding announcements by the Scottish Government, mean the real terms increases in funding from 2014/15 were a 16 per cent increase in 2020/21 (total funding was £98.2 million) and a 67 per cent increase in 2021/22 (total funding was £140.7 million).

**17.** More transparency is needed by the Scottish Government on how much is spent overall on drug and alcohol policy and services. This includes more clarity on the different funding streams, which organisations are receiving funding, the purpose of funding and how decisions are made on prioritisation and distribution of funding.

## More focus is still needed on prevention and tackling inequalities

**18.** In our [2019 update](#), we highlighted that there is strong evidence that public health prevention programmes are cost-effective in drug and alcohol services. However, the Scottish Government had not identified the level of investment in prevention required to achieve maximum benefit. And it was not clear what percentage of spending in this area was targeted on early intervention and prevention. The Scottish Government has still not clearly set this out.

**19.** Ten years ago, the [Christie report](#) recommended a shift towards prevention through partnership working and putting people at the heart of public services. Supported by better planning and performance measurement, this should lead to improved long-term outcomes for individuals and communities. However, as set out by the [Auditor General](#) and [Accounts Commission](#), Scotland is still facing multiple inequalities and spending could be more effectively targeted at interventions tackling the root causes of drug addiction in communities. Public services are important to achieving a fair and just society by supporting disadvantaged and vulnerable people but the focus on putting the person at the centre of service delivery is still not the norm.

**20.** The recent [Hard Edges Scotland report](#) showed the nature of severe and multiple disadvantage in Scotland, with 191,000 people having experience across substance dependency, offending or homelessness in a typical year. The report highlights the significance and long-lasting impact of childhood harms, such as poverty, mental illness, and homelessness, leading to problems in adulthood and how some harms experienced by parents go on to affect their children in adulthood. For example, around three per cent of babies born in the UK are affected by [foetal alcohol spectrum disorder](#) from alcohol consumption during pregnancy. This means up to 172,000 people could be affected by the disorder in Scotland, which can include brain damage and physical issues, such as poor growth and a smaller head.

**21.** The [Scottish Drugs Forum](#) (SDF) identifies poverty in Scotland as the root cause of the drug deaths crisis, which has not been seen in other comparable European countries. SDF states that wider government policy will have a greater effect than drug policy alone and is needed to break the cycle of intergenerational problem drug use. Childhood harms also have a financial impact, directly from the cost of the wide range of services needed to support people experiencing drug and alcohol problems, and the wider economic impact of reduced life chances. There are similarities to be drawn with care experienced adults. A series of reports produced by the Independent Care Review in February 2020, known as [The Promise Scotland](#), included an [economic model on human costs](#). This showed that care experienced adults are one and a half times more likely to experience severe multiple disadvantage, including substance use, homelessness, mental health issues and offending:



Image reproduced from Follow the money, The Promise, Independent Care Review, February 2020

## Delivery of drug and alcohol services is complex and clearer accountability is needed

**22.** There are 31 ADPs in Scotland which bring together local partners including NHS boards, councils, police and voluntary agencies. ADPs are responsible for commissioning and developing local strategies for tackling problem alcohol and drug use and promoting recovery, based on an assessment of local needs. There are many organisations and structures involved in delivering services. Page 77 Governance is

complicated and difficult to navigate. There is a role for ADPs, integration authorities and community planning partnerships (CPPs) but accountability is not always clear.

**23.** In 2019, the [Dundee Drugs Commission](#) found a lack of leadership across all services to facilitate the changes required to effectively reduce increasing drugs deaths in Dundee. The absence of a clear governance structure meant that change was not being monitored and implemented effectively. There was a lack of accountability and of clarity of roles and influence across the ADP, integration joint board (IJB) and CPP. Services were outdated, fragmented and unable to effectively share information.

**24.** We highlighted difficulties around governance, accountability, collaboration and sharing data in our 2018 [health and social care integration report](#). We reported in our [2019 update](#) that ADPs need to improve partnership working with wider services, for example children and families and community justice, on more preventative and early intervention approaches. The Scottish Government and COSLA agreed eight recommendations to improve the governance and accountability of alcohol and drug services. They have been developed to implement the [Partnership Delivery Framework for Alcohol and Drug Partnerships](#) published in July 2019. One of the main aims of the national mission is a focus on prevention and a more joined-up approach across policies to address underlying issues.

### Issues with drug misuse in the criminal justice system

**25.** In January 2022, a [report](#) by the Criminal Justice Committee identified several issues in relation to the misuse of drugs and the criminal justice system. These included:

- A lack of access to treatment – only 35 per cent of the 60,000 people with drug problems in Scotland are in treatment, compared to 60 per cent in England (although data recording and measurement differs).
- Problems providing alternatives to prosecution or custody where community-based support and referral to drug services would be more beneficial to people charged with drug offences.
- A lack of support for people with drug problems before, during and after their prison sentences.
- The need for more training of police officers and others working in the justice system to become ‘trauma informed’, so they understand health issues and the underlying causes of drug use. This would facilitate a more appropriate and compassionate response.

**26.** Many of the committee's findings and recommendations overlap or complement those already made by the drug deaths taskforce. However, the committee believes there is a gap between policy and practice, and it would like to see much faster progress being made on implementing the recommendations of the taskforce. The committee makes several recommendations on increasing access to various treatments, increased support for prisoners, and more emphasis on preventative measures and addressing the health and societal disadvantages.

**27.** Members from the Criminal Justice Committee, Health, Social Care and Sport Committee and the Social Justice and Social Security Committee held two joint, public meetings in February 2022. Evidence on reducing drug deaths in Scotland and tackling problem drug use was taken from the [Minister of State for Crime, Policing and Probation, UK Government](#) and the [Chair of the Scottish Drug Deaths Taskforce and Minister for Drug Policy, Scottish Government](#). In both sessions there was a lot of discussion about the viability of safe consumption rooms in Scotland, a model the Scottish Government is keen to introduce. These have been [operating in many European countries](#) since the 1990s. However, legislation on the misuse of drugs is a reserved UK matter and the UK government is not in favour of making changes to the current legislation that would facilitate lawful use of illicit drugs. The Drug Policy Minister said the Scottish Government is doing all it can to find a solution to this.

### **Implications of a new National Care Service**

**28.** The Scottish Government's [consultation](#) on a new National Care Service (NCS) identifies the challenges facing people with drug and alcohol problems who often have multiple and complex needs, including the lack of joined-up services. It can be difficult to create individual care plans for people across health and care systems to provide joined-up care and many people face stigma which can prevent them seeking help or progressing towards recovery.

**29.** The consultation document poses questions about ADPs as to whether changes can be made to make them more effective and whether they should become part of the NCS nationally or part of proposed local Community Health and Social Care Boards (new bodies proposed to replace IJBs for local delivery of community health and social care in Scotland). It also asks whether specialist provision, such as residential rehabilitation services, should be commissioned by the NCS and whether other services might be organised on a national level.

**30.** In February 2022, the Scottish Government published an [analysis](#) of responses to the consultation. In relation to drug and alcohol services, the main findings were:

- A majority agreed that if included in the remit of an NCS, ADPs would have the benefits of providing greater coordination of drug and alcohol Services (81 per cent) and better outcomes for people accessing care and (75 per cent).
- Confused leadership and accountability was viewed as the main drawback of ADPs and three quarters agreed that they should be integrated into Community Health and Social Care Boards.
- Eight in ten agreed that residential rehabilitation services could be better delivered through national commissioning.

### **A clear integrated plan is needed to show how investment is improving outcomes**

**31.** The Scottish Government and partners have increased their focus and efforts to tackle drug and alcohol misuse since our last update in 2019. This includes increased funding and focus on key areas for improvement. However, it is too soon to assess impact and more could be done to join up the various strands of work and funding streams to show how they are collectively improving outcomes. To increase transparency and demonstrate value for money, the Scottish Government should implement the following:

- An overarching plan showing how the aims and actions of the Rights, Recovery, and Respect strategy, the national mission and drug deaths taskforce link together and report annually on progress.
- An overall plan showing how evaluation activities link to actions and inform prioritisation of funding to evidence-based approaches.
- Set out in one place the overall funding for drug and alcohol services and support, with a breakdown of the main funding streams and how much is going to ADPs and other agencies. Report spending against budgets annually, including any underspending and redirection of funding.
- Use the information set out above, along with the existing monitoring and evaluation framework and national database, to assess the cost-effectiveness of funding in drug and alcohol services and the level of investment in prevention needed to achieve maximum benefit.



- Demonstrate what impact drug and alcohol policy and investment is having on improving outcomes using clear measures and public reporting. Current data gaps and time lags in reporting will need to be addressed to achieve this.

**32.** The Auditor General and Accounts Commission have an ongoing interest in how drug and alcohol services are being delivered and the impact this has on people and their families needing support. We plan to carry out more detailed work in this area in the next 12-18 months. Other related work includes a review of adult mental health services and a social care audit. You can find more information on our dynamic work programme on our [website](#).

# Drug and alcohol services:

## An update

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)

For the latest news follow us on social media or [subscribe to our email alerts](#).



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
Phone: 0131 625 1500 Email: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

ISBN 978 1 913287 72 6 AGS/2022/4