

Public Document Pack



A meeting of the **Health & Social Care Integration Joint Board Audit Committee** will be held on **Monday, 19th June, 2023** at **2.00 pm** in **Committee Room 2, SBC** and via **Microsoft Teams**

AGENDA

Time	No		Lead	Paper
2.00	1	ANNOUNCEMENTS AND APOLOGIES	Chair	Verbal
2.01	2	DECLARATIONS OF INTEREST 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
2.02	3	MINUTES OF PREVIOUS MEETING 20.03.23	Chair	(Pages 3 - 10)
2.05	4	MATTERS ARISING Action Tracker	Chair	(Pages 11 - 14)
FOR DECISION				
2.06	5.1	Financial Regulations	Chief Financial Officer	(Pages 15 - 36)
	5.2	IJB Audit Committee Annual Report 2022-23 and Self Assessments	Chair	(Pages 37 - 52)
	5.3	Internal Audit Annual Assurance Report 2022-23	Chief Internal Auditor	(Pages 53 - 72)
	5.4	Annual Governance Statement 2022-23	Chief Internal Auditor	(Pages 73 - 82)

	5.5	IJB Draft Annual Accounts 2022-23	Chief Financial Officer	(Pages 83 - 132)
	5.6	Ministerial Steering Group Self Evaluation	Chief Officer	(Pages 133 - 144)
	5.7	External Audit Points Update	Chief Financial Officer	(Pages 145 - 152)
		FOR DISCUSSION/NOTING	Chair	
3.00	6.1	Directions Tracker	Chief Financial Officer	(Pages 153 - 160)
	6.2	Monitoring of Directions	Chief Officer	Verbal
	6.3	Audit Scotland Reports	Chief Financial Officer	(Pages 161 - 164)
3.55	7	ANY OTHER BUSINESS	Chair	Verbal
4.00	8	DATE AND TIME OF NEXT MEETING Monday 18 September 2023, 2.00pm to 4pm, Committee Room 2, SBC and Microsoft Teams Monday 18 December 2023, 2.00pm to 4pm, Committee Room 2, SBC and Microsoft Teams	Chair	Verbal



Minute of the meeting of **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** held on Monday 20 March 2023 at 2.00pm via MS Teams

Present: Cllr T Weatherston, Elected Representative, SBC (Chair)
Cllr Neil Richards, Elected Representative, SBC
Mrs L O'Leary, Non Executive, NHS Borders
Mrs K Hamilton, Non Executive, NHS Borders
Mr K Harrod, Lay member

In Attendance: Mr C Myers, Chief Officer Health & Social Care
Mrs H Robertson, Chief Financial Officer
Miss I Bishop, Board Secretary
Mrs J Stacey, Chief Internal Auditor
Dr R Mollart, GP
Ms S Harold, Audit Scotland
Mr J Boyd, Audit Scotland
Ms J Law, Audit Scotland

1. APOLOGIES AND ANNOUNCEMENTS

- 1.1 Apologies had been received from Mrs Sue Holmes, Principal Auditor, SBC.
- 1.2 The Chair welcomed Cllr Neil Richards to his first meeting of the IJB Audit Committee.
- 1.3 The Chair welcomed Ms Jennifer Law, Mr John Boyd and Ms Stephanie Harold to the meeting who were the new external auditors for the IJB from Audit Scotland.
- 1.4 The Chair welcomed Rachel Mollart GP to the meeting who spoke to item 6.2 PCIP on the agenda.
- 1.5 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 19 December 2022 were approved.

4. MATTERS ARISING

4.1 **Action 2023-1:** Meeting date still to be arranged.

4.2 **Action 2023-5:** Mr Chris Myers advised that he had not drafted a letter for the Chair of the Audit Committee to send to the Chair of the IJB in regard to PCIP funding, as he was awaiting further clarification of funding from the Scottish Government. He anticipated that a letter was to be released to organisations later in the week.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** note the Action Tracker.

5. DRAFT FINANCIAL REGULATIONS

5.1 Mrs Hazel Robertson provided an overview of the content of the report and highlighted: the background to the regulations; agreement with the Directors of Finance in NHS Borders and Scottish Borders Council; and that there were a small number of areas to be clarified with the partners before a final version would be reached.

5.2 The Chair recorded the thanks of the Committee to Mrs Robertson for the work undertaken to produce such a valuable document which was a vast improvement on previous documentation.

5.3 Mr Chris Myers echoed the Chairs comments and advised that in line with best value and the new financial regulations, he anticipated better decision making across the partnership and improvements in managing the financial risk better.

5.4 Mrs Jill Stacey commented that the Directors of Finance in the partner organisations would need to clarify that the arrangements aligned with their respective financial regulations. Mrs Robertson confirmed that in terms of her gaining overall assurance the adoption of the financial regulations sat with her and her 2 peers who had been fully consulted. She would receive financial information from the partners and formulate the IJB report and then share the report with her peers to show what the financial situation looked like across the patch and ensure everyone was following the same standards to drive up compliance. She advised that the regulations would be for all budget holders not just finance colleagues. She intended writing to all budget holders within the partnership to offer guidance on the adoption and compliance with the financial regulations.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted that the Regulations had been substantially reviewed by the IJB CFO and confirmed by SBC and NHSB. A small number of provisions were still to be discussed and agreed across the partnership.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted that the Audit Committees of partner bodies would also

require to consider and accept that the changes conformed with their own governance arrangements.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** considered the draft Regulations and identified any further improvements required.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** requested a final draft of the Financial Regulations to the next meeting for approval.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted the creation of a Financial Framework with further development activity to improve the financial control environment, which would be brought to future meetings for consideration.

6. EXTERNAL AUDIT POINT UPDATES

- 6.1 Mrs Hazel Robertson provided a high level overview of the external audit points that had been active when she took up post. She highlighted several key elements including: appointment of Chief Financial Officer; set aside budget guidance; virtual team; financial sustainability; decision making on longer term plans; and ledger and governance arrangements.
- 6.2 Mr Chris Myers commented in regard to item 7, that the self assessment results would be discussed at the IJB development session to be held on 19 April. He suggested the new strategic framework would provide an oversight of all the delegated services and encourage the further movement of the integration of services and assist the IJB to fulfil its role as the Board for delegated services.
- 6.3 Mrs Jill Stacey commented that in regard to the internal audit recommendations those were captured within the system and would be updated following the monitoring information received by the Committee.
- 6.4 Mrs Stacey enquired if the “ledger” was a requirement for IJBs to have. Mrs Robertson advised that it was not, some of the larger partnerships had them as they could easily resource them, however she did not see any value in having one locally given the small size of the partnership.
- 6.5 Mr John Boyd commented that in terms of narrative the use of the word “ledger” suggested a system or application to meet the requirement for books and records of transactions to be logged. Audit Scotland saw across a number of IJBs that it was a simple spreadsheet of a central record of transactions relating to the IJB rather than it being a year end account and obviously it depended on the information received from the other partners. He suggested he would normally recommend that a central record was held.
- 6.6 Mrs Stacey enquired if Mr Boyd would expect it to be contained within the financial regulations. Mr Boyd clarified that he would.

- 6.7 Mrs Robertson advised that the regulations did mention it and said that the IJB would not have a separate ledger. She suggested she follow up the matter outwith the meeting with external audit colleagues.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** considered the update and sought clarification of any aspects.

7. EXTERNAL AUDIT ANNUAL PLAN 2022/23

- 7.1 Mr John Boyd provided an overview of the 2022/23 report. He commented that the plan was the draft external audit plan for the year and as in previous years it covered responsibilities under the code of audit practice. He highlighted several elements including: materiality; risk management; clawback of COVID-19 funding; use of resources; financial sustainability; timetable; management fee; and first year of the audit appointment.
- 7.2 Mrs Jill Stacey enquired to what extent the assurance on climate change and cyber security would be associated with the partners given the IJB was a commissioning body.
- 7.3 Mr Boyd commented that the external audit team work in relation to the IJB would build upon the work undertaken in the key partners and would report on how applicable those arrangements were to the IJB itself.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** approved the External Audit Plan.

8. INTERNAL AUDIT ANNUAL PLAN 2023/24

- 8.1 Mrs Jill Stacey provided an overview of the content of the plan.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** approved the proposed Internal Audit Annual Plan 2023/24 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1).

9. RISK MANAGEMENT UPDATE 2022/23

- 9.1 Mrs Jill Stacey provided an overview of the content of the update. She suggested changing the cycle of the IJB Strategic Risk Register being received by the IJB to enable better alignment to some of the content within the report.
- 9.2 Mr Chris Myers comments that it was a live risk register and there was an increased focus on risk management given the framework was based on the 6 biggest risks and there was further work to do on it. He recorded his thanks to Mrs Stacey and her team for their support. He suggested that a more integrated risk approach would be undertaken given there were the same risks on the IJB and partner organisations risk registers that were mitigated differently.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted that a refresh of the IJB Strategic Risk Register had been undertaken to better reflect the role and remit of the IJB, support and underpin the objectives of integration and reflect significant and strategic local and national developments.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** acknowledged the improvements in the application of risk management within the IJB, in accordance with the IJB Risk Management Policy and Strategy.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted the benefits for the IJB that accrued from more systematic and assured risk management.

10. IJB DIRECTIONS TRACKER

10.1 Mr Hazel Robertson provided an overview of the tracker.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted the contents of the Directions Tracker and the follow up to be undertaken before the end of March 2023.

11. MONITORING OF DIRECTIONS: PCIP

11.1 Mrs Hazel Robertson introduced the PCIP update and commented that it was challenging in terms of the provision of funding from the Scottish Government. The issue of a shortfall in funding in the region of £1.2m to develop all the workstreams and implement the GMS contract had been consistently raised by the PCIP Executive.

11.2 Dr Rachel Mollart commented that the PCIP Executive had been very robust in its analysis of spending and budgeting to deliver what it could within the financial envelope available. The majority of spending had been on staffing, however the budget was some £2.1m to £2.5m short to be able to deliver all of the elements of the contract that the Scottish Government wished to be delivered. It had been agreed that CTAC was the right way forward and that was being progressed.

11.3 Mr Chris Myers commented that at a meeting with the Scottish Government the previous week they had made it clear that the MoU 2 remained in place and the 3 priority areas remained as Vaccinations, Pharmacotherapy and the Community Treatment and Care (CTAC) service. For those areas that did not provide those 3 elements there were transitional payments made from Health Board and those payments were made by the Scottish Government to the Health Board. Those payments were no longer funded by the Scottish Government. He emphasised that the 2 main areas of financial risk were the CTAC service and vaccinations.

11.4 Mrs Lucy O'Leary enquired of the position of other Chief Officers on the matter and also if there was a national network of IJB Audit Committees.

11.5 Mrs Jill Stacey advised that she was not aware of an IJB Audit Committee forum nationally.

- 11.6 Mr Chris Myers commented that he would raise the topic with other Chief Officers.
- 11.7 Mrs Karen Hamilton enquired about the next step given it was a contractual arrangement between GPs and the Health Board with the IJB as the commissioner.
- 11.8 Mr Robertson suggested reviewing the reserves available within the IJB to see the extent to which some of those could be diverted and used. She suggested she and Mr Myers review them and provide some proposals to the next meeting.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted no growth in funding provided by Scottish Government despite all efforts at escalation. Confirmation received that pay awards would be funded.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted that whilst some funding may be able to be directed from earmarked reserves, that would be insufficient to fund the full programme.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted the programme of consultation, engagement and communications that was required.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted risks to Primary Care service delivery and sustainability due to the full programme not being implemented.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** agreed that Mrs Robertson and Mr Myers meet and review the reserves available to identify any that might be diverted and used for PCIP funding.

12. MONITORING OF DIRECTIONS: PALLIATIVE CARE REVIEW

- 12.1 Mr Chris Myers provided an overview of the content of the paper.
- 12.2 Dr Rachel Mollart commented that 80-90% of palliative care took place in the community with people dying at home. She welcomed the involvement of social care colleagues and suggested GP colleagues had not been fully engaged in the process.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted progress.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted the timescales for the review.

13. MONITORING OF DIRECTIONS: ORAL SERVICES

- 13.1 Mr Chris Myers provided an update on the oral services direction and advised that:-

- The NHSB Dental Services and Oral Health Strategy Group has been re-established with a refreshed membership to take forward development of the Strategic Plan for Oral Health. It had been agreed that it would be a long term plan over 12 years, split into 4 x 3 year action plans to take a phased approach and allow for flexibility to respond to changing circumstances over time whilst working towards the aims of the overall strategic plan.
- The recommendations of the Oral Health Needs Assessment completed in 2020 had been reviewed and agreed as current.
- Work was ongoing to draft an outline Strategic Plan with a view to engaging with the dental workforce, the public and wider stakeholders in the autumn. Feedback from that engagement would support further development of the Strategic Plan with the aim of implementing it from April 2024.

13.2 The Chair commented that things had greatly improved in Kelso for Kelso residents.

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted the update.

14. AUDIT SCOTLAND REPORTS

The **SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE** noted the NHS in Scotland 2022 Audit Scotland Report.

15. ANY OTHER BUSINESS

15.1 The Chair advised that no further business had been identified.

16. DATE AND TIME OF NEXT MEETING

16.1 The Chair confirmed that the next meeting of the IJB Audit Committee would be held on Monday 19 June 2023 at 2.00pm in Committee Room 2, Scottish Borders Council and via Microsoft Teams.

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Scottish Borders Health & Social Care Integration Joint Board Audit Committee




Action Tracker

Meeting Date: 19 December 2022


Item: IJB AUDIT COMMITTEE ANNUAL REPORT 2021/22

Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status
2023-1	5	The SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE agreed a joint session with the Audit Committee Chairs of the partner bodies should be expedited as soon as possible.	Jill Stacey	March 2023	In Progress: Agreement in principle with the Audit Committee Chairs of the partner bodies. Meeting Date to be arranged	


Item: BEST VALUE

Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status
2023-3	9	The SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE recommended that it informally engaged with the process with Audit Scotland to map out activities and determine value and impact.	Hazel Robertson	June 2023	In Progress	

Item: PROGRESS WITH DIRECTION: SBIJB-150622-5: HEALTH BOARD ORAL SERVICES – DEVELOPMENT OF PLAN


Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status
2023-4	10	The SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE agreed to defer the item to the next meeting.	Hazel Robertson	March 2023	In Progress: Item deferred to 20.03.23 meeting. Complete: Verbal update by Chris Myers provided to 20.03.23 meeting.	

Item: PROGRESS WITH DIRECTION: SBIJB-020922-1: PCIP – MANAGE PCIP WITHIN EXISTING FUNDING


Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status
2023-5	13	The SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE agreed that the Chair of the IJB Audit Committee should write to the Chair of the IJB to advise that although matters appeared to be progressing, no solution was emerging in regard to the funding issue and the impact that would have on delivery.	Chris Myers	March 2023 July 2023	Update 20.03.23: Mr Chris Myers advised that he had not drafted a letter for the Chair of the Audit Committee to send to the Chair of the IJB in regard to PCIP funding, as he was awaiting further clarification of funding from the Scottish Government. He anticipated that a letter was to be released to organisations later in the week. Update: The letter had been received and a formal conversation would take place on the way forward with the PCIP at the IJB meeting in July 2023.	

Meeting Date: 20 March 2023




Item: DRAFT FINANCIAL REGULATIONS

Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status
2023-6	5	The SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE requested a final draft of the Financial Regulations to the next meeting for approval.	Hazel Robertson	19 June 2023	Complete: Item is a substantive item on the 19.06.23 meeting agenda.	

Item: MONITORING OF DIRECTIONS: PCIP

Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status
2023-7	11	The SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (IJB) AUDIT COMMITTEE agreed that Mrs Robertson and Mr Myers meet and review the reserves available to identify any that might be diverted and used for PCIP funding.	Hazel Robertson Chris Myers	June 2023	Complete: A review was undertaken and no funds were identified for diversion to support the PCIP.	

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Key:	
Greyscale = complete	
	Overdue / timescale TBA
	<2 weeks to timescale
	>2 weeks to timescale

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**Scottish Borders Health and Social Care Partnership
Integration Joint Board Audit Committee**

07 June 2023



Scottish Borders
Health and Social Care
PARTNERSHIP

FINANCIAL REGULATIONS

Report by Hazel Robertson, Chief Finance Officer IJB

1. PURPOSE AND SUMMARY

1.1. This paper updates the Audit Committee of work undertaken to finalise the review of internal financial controls and shares the final draft of the updated Financial Regulations for approval.

2. RECOMMENDATIONS

2.1. The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-

- a) Note that the Regulations have been substantially reviewed by the IJB CFO and confirmed by SBC and NHSB. All outstanding matters have now been resolved.
- b) Note that the Audit Committees of partner bodies will also require to consider and accept that the changes conform with their own governance arrangements.
- c) Recommend these Regulations to the IJB for approval.
- d) Request that the CFO implement these within the IJB, making the required improvements in financial control, management and reporting, and communicating best practice to operational teams.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

3.1. It is expected that the proposal will impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
				x	

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
	x	x			x

4. INTEGRATION JOINT BOARD DIRECTION

4.1. A direction is required to both partner bodies, to implement these regulations as they relate to financial controls within delegated and set aside services.

5. BACKGROUND

5.1. The existence of a sound system of internal financial control is an essential pre-requisite to high quality financial management. Financial regulations should be regularly reviewed and updated, and used as a tool to promote good practice. I would normally review these at least every 2nd year and require budget managers and finance staff to formally confirm that they understand, accept and undertake to comply with these. I have in another organisation created an easy read guide to help staff understand what good looks like.

5.2. The IJB Financial Regulations have not been reviewed and updated since 2017. They are not fully compliant with national guidance and they are not being fully followed. There are a range of other improvements that can be made to our financial arrangements and a programme has been developed to complete this work.

5.3. For the IJB it is even more crucial to have clear financial controls and processes because the financial controls and processes operate across three legal entities who have their own version of internal financial control.

6. ASSESSMENT

6.1. On commencing in post in August 2022 a high priority was to understand the financial control environment. Within a short time I discovered that:

- The Financial Regulations had not been updated since 2017
- There were areas where current financial practice was not compliant with the terms within our Regulations.
- Our Regulations do not fully comply with national guidance for IJB Financial Regulations.
- Our management accounting and reporting practices differ across the Partnership, and are not fully in line with the Regulations.
- There are gaps in the internal control environment eg a scheme of delegation and reservation of decision making processes.

6.2. This presents a risk to the quality and consistency of operational financial management practices and the ability of the IJB to fully rely on financial management information to strategically manage financial performance and planning.

6.3. I have identified further areas of improvement and have described these as being part of a Financial Framework.

6.4. Attached to this paper are:

- The final version of updated and agreed Financial Regulations for approval.

7. IMPROVEMENTS

7.1. Main improvements in application of the Financial Regulations are noted below and relatively easy to address:

- Para 22 and 23 in relation to virement. Virement is happening within the partner bodies but not across partner bodies. There is currently no formal sign off process of virement by the IJB.
- Para 27. Remedial action to be taken to address overspends. This is particularly pertinent in respect of the actions being taken to address the NHSB financial recovery plan and the extent to which such matters are being managed corporately. There is a need to integrate the IJB CFO in the NHS Financial Improvement Programme and the Financial Recovery Plan. We are now considering taking a system wide approach to overview of savings plans.
- Para 35. Full compliance with Reserves Policy and reporting on release of Reserves. This mainly relates to formal release of NHSB earmarked reserves which are being appropriately used in year, however the reserves table is not always being updated quarterly. This is relatively easy to address.
- Para 39. Commissioned services. We are currently reviewing the provision of commissioned services across the Partnership and may determine that the most efficient treatment of these could involve joint commissioning led by the Council on behalf of the Partnership.
- Para 51 arrangements for cross committee assurance.

7.2. Further development of the Financial Framework includes:

- Creation of a scheme of delegation and decision making arrangements will be very beneficial for helping navigate staff to the right fora by setting out mechanisms for escalation of issues.
- Taking a longer term consideration of financial sustainability will complement the Financial Recovery Plan being prepared by NHS Borders and sits well with the HSCP Strategic Framework and Recovery Plan.

7.3. Having discussed these improvements with my peers, there is a consensus that the planned improvements are required. I extended the timescales for completion of this developmental activity to end June to allow for further discussion and cross committee assurance.

7.4. These documents will come back to the IJB Audit Committee for formal approval once I have received confirmation from the partner bodies Audit Committee considerations.

7.5. In the summer we will begin to work on a long term view of financial strategy over a 5-10 year time frame. This reflects the need to consider the approach required for a return to financial balance for NHS Borders and thus the IJB.

7.6. These changes and improvements address the s95 responsibilities of the IJB CFO, providing a sound basis for financial transactions and control, budgetary management and financial

management and strategy. The IJB CFO has formally written to both parties to set out the improvement programme and action required. Both are in agreement with the programme of work outlined.

7.7. These improvements will provide support for the IJB CFO through relevant staff from the virtual finance team and enable discussion on finance to become more strategically focussed and operationally aligned.

8. IMPACTS

Community Health and Wellbeing Outcomes

8.1. It is expected that these improvements will indirectly support improvement in all of the National Health and Wellbeing Outcomes below, and directly on outcome 9. In improving financial control and management, this should enable the movement of resources to support service changes.

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	
5	Health and social care services contribute to reducing health inequalities.	
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	
7	People who use health and social care services are safe from harm.	
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	
9	Resources are used effectively and efficiently in the provision of health and social care services.	Direct increase

Financial impacts

8.2. There is no financial cost to implementation of this approach

8.3. The impact of these changes should improve budgetary control, monitoring, reporting and forecasting thus supporting delivery of the HSPC Strategic Framework.

8.4. The impact of these changes should improve financial grip and control, supporting delivery of financial savings targets, supporting virement across the partnership, enabling more financial planning, and contributing towards the adoption of a long term strategic financial approach. This will also provide assurance to government that the IJB and HSPC are supporting the delivery of the NHS Board Financial Recovery Plan.

Equality, Human Rights and Fairer Scotland Duty

8.5. Integrated Impact Assessment Stage 1 Proportionality and Relevance

The IJB has a statutory obligation to eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between people who share a characteristic (age, disability, gender re-assignment, trans/transgender identity, marriage or civil partnership, pregnancy and maternity, race groups, religion or belief, sex-gender identity, and sexual orientation) and those who do not; and foster good relations between people who share a characteristic and those who do not. This involves tackling prejudice and building understanding.

Additionally, where proposals are “strategic”, the Fairer Scotland Duty requires us to show that we have actively considered how we can reduce socio-economic inequalities in the decisions that we make and to publish a short written assessment on how we have done this.

The Stage 1 review has been completed and agreed with the Equalities Lead.

Legislative considerations

- 8.6. The implementation of the Regulations and the wider Financial Framework supports the s95 officer to fulfil their statutory role. This is achieved in partnership with SBC and NHSB.

Climate Change and Sustainability

- 8.7. There are no direct impacts for Climate Change and Sustainability.

Risk and Mitigations

- 8.8. The adoption of the Financial Regulations and wider Financial Framework reduces risks of errors, omissions, or misstatement of the financial position across the Partnership. The final version of the Regulations is key to cementing the required control environment, along with the Scheme of Delegation and Decision Making Processes. Dates are planned for finalisation of these documents.
- 8.9. There is a risk that the capacity of the virtual finance team is insufficient to meet requirements across the partner bodies and the partnership. The virtual team works well together and have to date always fulfilled any information requests from the IJB CFO. Further work is to be undertaken on setting out the financial reporting timescales and expectations, to help staff to manage their workload. These timetables will be developed in partnership with the virtual team.

9. CONSULTATION

Communities consulted

- 9.1. No consultation required following the Stage 1 Integrated Impact Assessment.
- 9.2. This report does not directly relate to service delivery so there no requirement to consider the Integration Planning and Delivery Principles.
- 9.3. The Director of Finance NHS Borders and the Acting Chief Financial Officer for SBC have been fully involved in the update of the Financial Regulations and are in agreement to the programme of improvement work as set out in the Financial Framework. The operational timetable for information requirements will be co-produced with the virtual finance team. Information

requirements to support financial reporting and planning will meet the standards required by these Regulations.

9.4. At this stage no consultation with other groups is required. The following groups will be involved as required in the Financial Framework development and implementation, particularly around financial management and financial planning:

- Unpaid Carers – Carers Workstream
- Staff – Joint Staff Forum
- Localities – Locality Working Groups
- Care Sector – Care Sector Advisory Group
- Clinical Groups – NHS Borders Clinical Reference Groups (GP Subcommittee, Area Clinical Forum, Area Dental Committee, Area Pharmacy Committee, Area Optometry Committee)
- IJB Strategic Planning Group

9.5. The Strategic Planning Group will be provided with relevant directions as the elements of the Financial Framework are finalised, prior to being submitted to the IJB.

Integration Joint Board Officers consulted

9.6. The IJB Chief Officer has been consulted, and all comments received have been incorporated into the final report. The IJB Chief Internal Auditor has been consulted and provided feedback and suggested changes on the draft Financial Regulations before they were finalised for Audit Committee consideration.

9.7. The IJB Equalities, Human Rights and Diversity Lead was consulted regarding assurance on Equality, Human Rights and the Fairer Scotland Duty.

Approved by:

Hazel Robertson, IJB Chief Finance Officer

Author(s)

Hazel Robertson, IJB Chief Finance Officer

Background Papers:

IJA Stage 1 Impact Assessment
Draft Financial Regulations
Financial Framework programme

Previous Minute Reference: none

For more information on this report, contact us at
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SCOTTISH BORDERS INTEGRATION JOINT BOARD FINANCIAL REGULATIONS

SCOPE

1. Scottish Borders Integration Joint Board (IJB) is a legal entity in its own right created following approval of The Joint Working Public Bodies (Scotland) Act 2014 Act and, subsequent Ministerial approval of the Scheme to establish the IJB between NHS Borders and Scottish Borders Council to integrate the planning and commissioning of health and social care services in the Borders. The IJB therefore requires its own set of Financial Regulations.
2. The IJB is accountable for the stewardship of public funds and operates under public sector best practice governance arrangements, proportionate to its transactions and responsibilities. Stewardship is a responsibility of members and officers of the IJB.
3. The Financial Regulations are a key component of the IJB's governance. They set out the responsibilities of the IJB and senior officers in relation to the proper administration of the IJBs finances, as well as the internal and external audit arrangements in place. These provide a framework to ensure proper administration of the IJBs finances
4. These regulations should be read in conjunction with the Code of Corporate Governance of NHS Borders and the Financial Regulations of Scottish Borders Council.
5. Voting members of the IJB, together with officers appointed or seconded to the IJB have a duty to abide by the highest standards of probity in dealing with financial issues. This is achieved by ensuring everybody is clear about the standards to which they are working and the controls in place to ensure these standards are met.
6. The primary controls and control objectives are:
 - promotion of the highest standards of financial planning and management by the IJB
 - an effective system that complies with these financial regulations
 - that financial reporting to the IJB should be fully aligned with management information presented to NHS Borders and Scottish Borders Council
 - effective reporting that compares the financial performance of the IJB to its financial plan and supports achievement of strategic objectives.

FINANCIAL MANAGEMENT AND PERFORMANCE REPORTING

Responsibility of the IJB

7. The Integration Scheme sets out the detail of the arrangements for the Scottish Borders. In relation to financial management of the IJB budget it specifies:
 - the functions which are delegated to the IJB by NHS Borders and Scottish Borders Council
 - the method of determining the resources to be delegated each year by NHS Borders and Scottish Borders Council
 - the reporting arrangements between the IJB, NHS Borders and Scottish Borders Council
 - the financial management arrangements to be followed including the treatment of budget variances.
8. The IJB will prepare its Strategic Commissioning Framework (SCF) in consultation with stakeholders. The SCF must include:
 - the resources delegated from Scottish Borders Council to the IJB for social care services
 - the resources delegated from NHS Borders to the IJB for delegated primary and community health care services
 - the amount set aside by NHS Borders for major hospital services for the population of the Borders.

Responsibility of the IJB Chief Officer

9. The Chief Officer is the Accountable Officer of the UB. The Chief Officer will discharge their duties in respect of delegated resources by:
 - ensuring that the SCF meets the requirement for economy, efficiency and effectiveness in the use of the UB resources; and
 - giving directions to NHS Borders, Scottish Borders Council and other delivery partners, which are designed to ensure resources are deployed and spent in accordance with the SCP.
10. It is the responsibility of the Chief Officer to ensure that the provisions of such directions enable delivery partners to discharge their responsibilities within available resources.
11. As the Chief Officer of the Health and Social Care Partnership, in their operational role, they are accountable to the Chief Executives of NHS Borders and Scottish Borders Council for functions whose delivery is delegated to each organization. This includes the financial management and performance of services aligned to these functions. For services relating to social care, the Chief Officer reports on financial management to the Chief Executive of Scottish Borders Council via the Council's Chief Financial Officer (s95 Officer).

Responsibility of the Integration Joint Board Chief Finance Officer

12. The IJB will appoint an officer responsible for its financial administration.
13. In appointing the IJB Chief Finance Officer (IJB CFO) the IJB will comply with CIPFA guidance on the [‘Role of the Chief Financial Officer in Local Government’](#).
14. The IJB CFO and Chief Officer will discharge their duties in respect of the delegated resources by:
 - establishing financial governance systems for the proper use of the delegated resources
 - ensuring that the SCF meets the requirement for best value in the use of the IJB’s resource and
 - ensuring that the directions to NHS Borders and Scottish Borders Council provide for the finances being spent in line with the SCF.

Responsibility of NHS Borders Accountable Officer; NHS Borders Director of Finance and Scottish Borders Council Section 95 Officer

15. The NHS Borders Accountable Officer and the Scottish Borders Council’s Section 95 Officer discharge their responsibility as it relates to the resources delegated to the IJB - by setting out in the Integration Scheme the purpose for which resources are used and the systems and monitoring arrangements for financial performance management. It is their responsibility to ensure that the provisions of the Integration Scheme enable them to discharge their responsibilities in this respect.
16. The NHS Borders Director of Finance and the s95 Officer of Scottish Borders Council will provide regular in-year reporting, forecast and specific advice and professional support to the Chief Officer and IJB CFO to ensure that adequate systems of internal control are established.

FINANCIAL PLANNING

17. The IJB is responsible for production of a Strategic Commissioning Framework (SCF) – setting out the services for its population over the medium term (3 years). This should include a medium term financial plan for the resources within the scope of the SCF, incorporating:
 - the integrated budget – aggregate of payments to the IJB; plus
 - the set aside budget – the amount set aside by NHS Borders for large hospital services used by the IJB population.
18. NHS Borders and Scottish Borders Council will provide an annual allocation of funding, and indicative three year rolling funding allocations to the IJB, to support the SCF and medium term financial planning process. These allocations are subject to annual

approval by both organisations as part of their annual budgeting processes. The IJB CFO will prepare a medium term Financial Plan (for a minimum of three years) to support the SCF.

19. The IJB Chief Officer and CFO will develop an integrated budget for the forthcoming financial year based on the SCF. This will be in conjunction with the s95 Officer Scottish Borders Council and the Director of Finance NHS Borders. The IJB CFO will present this budget to NHS Borders and Scottish Borders Council for consideration and agreement as part of each organizations' annual financial planning process. The budget should reflect:

- **Activity Changes.** The impact on resources in respect of increased demand (eg demographic pressures and increased prevalence of long term conditions) and for other planned activity changes
- **Pay and Price inflation**
- **Legal requirements.** Legislation may entail expenditure commitments that should be reflected in an adjustment to the payment
- **Best Value.** All planned and anticipated cost reductions should be agreed between the IJB, Scottish Borders Council and NHS Borders including:
 - increased income opportunities,
 - efficiencies through service redesign, and
 - service rationalisations/cessations.
- **Performance on outcomes.** The potential impact of the above factors on agreed outcomes must be clearly stated and open to scrutiny and challenge by Scottish Borders Council and NHS Borders.
- Transfers **to/from the set aside budget for hospital services** set out in the SCF.

20. The IJB will publish an Annual Financial Statement which will set out the amount that will be spent in each year of the SCF. Guidance on the content of the Annual Financial Statement is included in the Statutory Guidance for Strategic Planning.

21. The method for the determination of contributions to the integrated budget is stated in the Integration Scheme.

Virement

22. Virement is defined by [CIPFA](#) as *“the transfer of an underspend on one budget head to finance additional spending on another budget head, in accordance with the Financial Regulations”*. Virement is a recurring or non-recurring transfer of budget from one budget heading (employee costs, supplies and services etc), to another, or a transfer of budget from one service to another. Any such proposed virement will be treated as a Direction with a clear explanation for the reason for the movement and the impact on the SCF.

Budgetary Control

23. It is the responsibility of the Chief Officer and IJB CFO to report regularly and timeously on all budgetary control matters, comparing projected outturn with the approved financial plan to the IJB and other bodies as designated by NHS Borders and Scottish Borders Council.
24. The Director of Finance (NHS Borders), the s95 Officer (Scottish Borders Council) and the IJB CFO, will ensure that there are appropriate systems in place to meet the financial performance monitoring and assurance requirements of the IJB.
25. The IJB CFO, in consultation with the Director of Finance (NHS Borders) and the s95 Officer (Scottish Borders Council) is responsible for agreeing a consistent basis and timetable for the preparation and reporting of management monitoring information to the IJB.

Budget Variances

26. The Integration Scheme specifies how in year over/under spends against approved budgets will be treated. Where it appears that any heading of income or expenditure may vary from that appearing in the Financial Plan, it is the duty of the Chief Officer and the IJB CFO, in consultation with the NHS Board Director of Finance and the Council's s95 Officer, to report in accordance with the appropriate method established for that purpose by the IJB, NHS Board and Scottish Borders Council, the details of the variance and any remedial action required.
27. If the remedial action is not successful and there are insufficient general fund reserves to fund the overspend, the partners have the option to:
 - Make additional payments to the IJB or
 - Provide additional resources to the IJB which are then recovered in future years, subject to scrutiny of the reasons for the overspend and assurance that there is a plan to address it.
28. In exceptional circumstances either party may amend their contribution to the IJB to offset an overspend. This provision should only be used in extreme circumstances. The Chief Officer will determine the actions required to make the savings to enable this transfer. This action must be approved by the IJB as advised by the IJB CFO.

Reports to Integration Joint Board

29. All reports to the IJB must specifically identify the extent of any financial implications. These must have been discussed and agreed with the IJB CFO prior to lodging of reports with the Board Secretary. If there are any additional financial consequences arising from reports for either NHS Borders or Scottish Borders Council the IJB CFO must be consulted and the author must ensure that these are agreed with those organisations' prior to approval being sought from the IJB.

LEGALITY OF EXPENDITURE

30. It is the duty of the Chief Officer to ensure that no expenditure is incurred, or included within the Financial Plan unless it is within the power of the IJB. Expenditure on new service developments, initial contributions to other organisations, must be clarified as to legality prior to being incurred. In cases of doubt the Chief Officer should consult the respective legal advisors of NHS Borders and Scottish Borders Council before incurring expenditure. Responses to emergency situations which require expenditure will be reported to the first available meeting of the IJB.

RESERVES

31. Legislation, under Section 106 of the Local Government (Scotland) Act 1973 empowers the IJB to hold reserves, which should be accounted for in the financial accounts and records of the IJB.
32. Any underspend will be held by the partner bodies on behalf of the IJB and can be drawn down with the approval of the IJB. No interest will be credited to the IJB for balances held.
33. A separate policy on reserves has been created in consultation with NHS Borders and Scottish Borders Council. This Reserves Policy was updated and approved in December 2022.
34. The IJB should, as part of financial planning, develop a strategic approach to reserves part of the development of long term finance strategy, which should indicate the level of reserves required and their purpose.

VAT

35. HM Revenues and Customs has confirmed that there is no requirement for a separate VAT registration for the IJB as it will not be delivering any services within the scope of VAT. This position will require to be kept under review by the IJB CFO should the operational activities of the UJB change and a need to register be established. HMRC guidance will apply to Scotland which will allow a VAT neutral outcome.

COMMISSIONING OF SERVICES

36. Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014/285 provides that the IJB may enter into a contract with any other party for the provision to the IJB of goods and services for the purpose of carrying out the functions conferred on it by the Act.
37. As a result of specific VAT and accounting issues associated with the IJB contracting directly for the provision of goods and services the Chief Officer is required to consult with the NHS Borders Director of Finance, and Scottish Borders Council's s95 Officer, prior to any direct procurement exercise being undertaken.

ACCOUNTING

Accounting Procedures and Records

38. All accounting procedures, records and systems of financial control of the IJB will be determined by the IJB CFO. These will also be subject to discussion with the s95 Officer of Scottish Borders Council and NHS Borders Director of Finance.
39. Legislation provides that the IJB is subject to the audit and accounts provision of a body under section 106 of the Local Government (Scotland) Act 1973. This requires audited annual accounts to be prepared with the reporting requirements specified in the relevant legislation and regulations i.e. Section 12 of the Local Government in Scotland Act 2003 and regulations under section 105 of the Local Government (Scotland) Act 1973. These will be proportionate to the limited number of transactions of the IJB whilst complying with the requirement for transparency and true and fair reporting in the public sector. The Accounts will be prepared on an accruals basis complying with the CIPFA UK Code of practice on Local Authority Accounting in force at the balance sheet date.
40. Scottish Borders Council and NHS Borders will include additional disclosures in their statutory accounts which reflect their formal relationship with the IJB.

Financial Statements of the Integration Joint Board

41. Financial reporting requirements for the IJB will be as specified in applicable legislation and regulation:
 - Following the Code of Practice on Local Authority Accounting in the UK.
 - Completed, published and signed to meet the audit and publication requirements as specified under section 105 of the Local Government (Scotland) Act 1973 or as amended by subsequent legislation.
42. It is the primary responsibility of the IJB CFO to meet these requirements and of the Chief Officer to provide any relevant information to ensure that NHS Borders and Scottish Borders Council meet their respective statutory and publication requirements for the single entity and group accounts. The annual reporting timetable should be agreed

in advance with the Director of Finance NHS Borders, s95 Officer for Scottish Borders Council and the external auditors. The target deadlines are as noted below.

Milestone	Deadline
Agreement of in year transactions and year end balances with Local Authority and Health Board	30 April
Draft annual accounts produced and submitted for audit	30 June
Inspection of accounts and lodging of objections	29 July
Accounts Signed	30 September
Publication of audited annual accounts	30 October

43. The IJB CFO will develop a timetable and responsibilities for production of information, in liaison with nominated contacts within each organisation, to ensure that appropriate information is exchanged within the timescales required by the statutory audit processes of the IJB, Council and NHS. Arrangements should be established to review and agree balances and transactions on a regular basis, not just at the year end.

INTERNAL AUDIT

Responsibility for Internal Audit

44. The IJB will establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources.
45. The role of Chief Internal Auditor and associated Internal Audit services will be provided by the Chief Officer Audit and Risk and the Internal Audit team of Scottish Borders Council. The Council's Internal Audit Charter and Internal Audit Strategy are applicable for the provision of Internal Audit services to the IJB. The specific nature of operational audit support to the IJB will be agreed with the Chief Officer.
46. The Internal Audit Service will undertake its work in compliance with the [Public Sector Internal Audit Standards](#).
47. On or before the start of each financial year the Chief Internal Auditor will prepare and submit a strategic risk based Internal Audit Annual Plan for the Integration Joint Board to the IJB Audit Committee for approval. The Annual Plan will include sufficient work to enable the Chief Internal Auditor to prepare the statutory independent and objective audit opinion on the adequacy of the IJB's arrangements for governance, risk management and internal control of the delegated resources.
48. The IJB will place reliance on the existing mechanisms and governance arrangements adopted by NHS Borders and Scottish Borders Council for the provision of Internal Audit assurances to their respective Audit Committees. The Chief Internal Auditor will provide biannually to the Chief Officer, Chief Financial Officer, and the IJB Audit Committee the list of Internal Audit reports by Partners' Internal Auditors presented to their respective

Audit Committees that are relevant to the IJB for assurance purposes with a summary of assurances contained therein.

49. The Chief Internal Auditor will submit an Internal Audit Annual Assurance Report for the Integration Joint Board to the Chief Officer, Chief Financial Officer, and the IJB Audit Committee, providing an assurance opinion on the adequacy and effectiveness of the Integration Joint Board's framework of governance, risk management and internal control, a summary of audit activity during the year that supports the opinion, and a statement on conformance with the PSIAS. The Internal Audit Annual Assurance Report for the IJB will be published in the public domain on modern.gov to ensure transparency to all partners and enable relevant assurance.
50. The Chief Internal Auditor will provide progress updates biannually to the Chief Officer, Chief Financial Officer, and the IJB Audit Committee on the implementation by Management of relevant Audit recommendations relating to the IJB.

Authority of Internal Audit

51. The Chief Internal Auditor or their authorised representatives will have authority, on production of identification, (as defined in the Internal Audit Charter) to access any data held on any site by either SBC or NHS Borders that relates to the functions delegated to the IJB through the Integration Scheme.

RISK MANAGEMENT AND INSURANCE

Risk Management Policy and Strategy

52. The Risk Management Policy sets out the intent for managing the strategic risks of the IJB, and the roles and responsibilities of various stakeholders. The Chief Officer is responsible for ensuring all major decisions are subject to a risk assessment, fostering a supportive culture where all members of staff are openly able to discuss and escalate risks appropriately, and regularly reviewing the most significant risks threatening the IJB's strategic objectives. The Chief Officer will be supported by Scottish Borders Council's Corporate Risk Officer to review the IJB Strategic Risk Register. SBC Chief Officer Audit & Risk will lead on the development and review of the IJB's Risk Management Policy and Strategy. The Risk Management Policy and Strategy will be approved by the IJB.
53. The Risk Management Strategy includes the: governance structure; types of risks to be reported; risk management framework and process; roles and responsibilities; monitoring risk management activity and performance; and reporting of risks to the IJB.
54. Where appropriate, existing mechanisms embedded within both NHS Borders and Scottish Borders Council will be used to provide assurance to the IJB on managing those risks associated with the operational delivery of services that have been commissioned by the IJB. It is the responsibility of the partner organisations to provide

risk information as required by the IJB as part of monitoring arrangements and/or highlight any significant single risk arising that requires immediate notification to the IJB Chief Officer.

55. The IJB Audit Committee will scrutinise the adequacy and effectiveness of the IJB's risk management arrangements.

Responsibility for Insurance

56. The IJB will make appropriate insurance arrangements for all activities of the IJB in accordance with the risk management strategy. CNORIS arrangements apply for NHSB.
57. The Chief Officer will arrange, taking such specialist advice as may be necessary, that adequate insurance cover is obtained for all *normal insurable risks arising* from the activities of the IJB and for which it is the general custom to insure. This will include the provision of appropriate insurance in respect of members of the IJB acting in a decision making capacity.

Notification of Insurance Claims

58. The Chief Officer and the IJB CFO will put in place appropriate procedures for the notification and handling of any insurance and negligence claims made against the IJB.

ECONOMY, EFFICIENCY AND EFFECTIVENESS (BEST VALUE)

59. The Chief Officer will ensure that arrangements are in place to maintain control and clear public accountability over the public funds delegated to the IJB.
60. This will apply in respect of:
 - the resources delegated to the IJB by the NHS Borders and Scottish Borders Council
 - the resources paid to NHS Borders and Scottish Borders Council by the IJB for use as directed and set out in the SCP.
61. The IJB has a duty to put in place proper arrangements for securing [Best Value](#) in the use of resources and delivery of services. Best Value is about ensuring that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public.
62. There will be a process of strategic planning which will have full member involvement, in order to establish the systematic identification of priorities and realization of Best Value in the delivery of services. It will be the responsibility of the Chief Officer to deliver the arrangements to secure Best Value and to co-ordinate policy in regard to ensuring that the IJB secures Best Value.

63. The Chief Officer is responsible for ensuring implementation of the strategic planning process. Best Value should cover financial, human and physical resource management, commissioning of services, financial management and policy, performance and service delivery.

64. The IJB will comply with relevant guidance on best practice financial management, such information as may be available from Scottish Government, HFMA, and CIPFA. Advice on use of management consultancy should be observed:

- The areas below should be considered before any management consultancy spend is procured. This is to minimise external consultancy spend and where procured, maximise economies of scale and benefits from any investment made by individual Boards. It is for the IJB to assure themselves they are getting value for money across the system for any spend incurred. Collaboration on any procurement processes is strongly suggested.

Problem definition - is there a clear understanding of outcomes, and are deliverables towards these outcomes clearly set out and agreed with the Chief Executive / Chief Officer (or DoF/ CFO)?
Need for consultancy - have other delivery models, including in-house expertise and other options including working with other Boards or partner organisations, been adequately considered?
National support - have you discussed with the relevant policy lead to determine whether support could be made available from Scottish Government and confirm whether this requirement is unique?
Sourcing to achieve Value For Money - has a proportionate level of market engagement taken place and is the procurement process robust and appropriate?
Knowledge and skills transfer to avoid over reliance - are the plans adequate for how results will be used and shared, skills will be passed on and how over-reliance on single providers will be avoided?

PARTNERSHIPS

65. The IJB will put in place appropriate governance arrangements to record all joint working arrangements entered into by the IJB.

OBSERVANCE OF FINANCIAL REGULATIONS

Responsibility of Chief Officer and the IJB Chief Finance Officer

66. It is the duty of the Chief Officer assisted by the IJB CFO to ensure that these Regulations are made known to the appropriate persons within the IJB and Health and Social Care Partnership and to ensure that they are adhered to.

Breach of Regulations

67. Any breach of these regulations should be reported immediately to the Chief Finance Officer, who may then discuss the matter with the Chief Officer, NHS Borders Chief Executive, Scottish Borders Council Chief Executive or another nominated or authorised person as appropriate to decide what action to take.
68. Where a material breach of these regulations is identified the IJB may choose to refer this breach to its partners for further action under the appropriate disciplinary policies of those organisations.

Review of Financial Regulations

69. These Regulations will be reviewed every three years (or earlier if there have been significant changes) by the IJB CFO in consultation with the NHS Borders Director of Finance and the Scottish Borders Council's s95 Officer, and where necessary, subsequent adjustments will be submitted to the IJB Audit Committee for recommendation to the IJB for approval.

Date of Review: 07 June 2023

Scottish Borders Health and Social Care Partnership



Equality, Human Rights and Fairer Scotland Duty Impact Assessment – Stage 1 Proportionality and Relevance

Completion of the template below will give senior officers the confidence that the Equality Duty, the Scottish Specific Public Sector Equality Duties, Human Rights and the Fairer Scotland Duty have been considered at the beginning of and throughout the proposal development and that action plans are in place, where applicable, to; identify relevant stakeholders, undertake robust consultation to deliver a collaborative approach to co-producing the E&HRIA.

What Integration Joint Board (IJB) report or Partnership decision does this proportionality and relevance assessment relate to:

Scottish Borders IJB Finance Framework

Relevant protected characteristics materially impacted, or potentially impacted, by proposals (clients, customers, employees people using services) indicate all that apply

Age	Disability Learning Disability, Learning Difficulty, Mental Health, Physical Autism/Asperger's	Gender	Gender Reassignment	Marriage and Civil Partnership	Pregnancy and Maternity	Race	Religion and Belief (including non-belief)	Sexual Orientation
X	X	X	X	X	X	X	X	X

Equality and Human Rights Measurement Framework – Reference those identified in Stage 1

Education	Work	Living Standards	Health	Justice and Personal Security	Participation
Higher education Lifelong learning	Employment Earnings Occupational segregation	Poverty Housing Social Care	Social Care Health outcomes Access to health care Mental health Palliative and end of life care*	Hate crime, homicides and sexual/domestic abuse Reintegration, resettlement and rehabilitation*	Political and civic participation and representation Access to services Social and community cohesion* Family Life*

*Supplementary indicators

Main Impacts	Are these impacts positive or negative or a combination of both	Are the impacts significant or insignificant?
This is the overarching strategic financial framework which will be supported by detailed plans and directions, which will include the necessity to undertake impact assessments on each individual proposal. The impacts as they apply to the Duty will be reported back to the IJB along with the associated reports.	Although not known at this time, any reduction in service provision, without associated mitigating actions, will impact negatively due to the nature of the services delivered e.g., older disabled people, mental health, learning disability, addiction services, homelessness services, domestic abuse services	As service redesign as a direct result of the Financial Framework is unknown at this stage the significance of the impact will not be known until the proposals are consulted on.

Is the proposal considered strategic under the Fairer Scotland Duty?	Yes
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E&HRIA to be undertaken and submitted with the report – Yes	Proportionality & Relevance Assessment undertaken by: Hazel Robertson Chief Finance Officer 22 February 2023
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**Scottish Borders Health and Social Care
IJB Audit Committee**

19 June 2023

**IJB AUDIT COMMITTEE ANNUAL REPORT 2022/23 AND
SELF-ASSESSMENT OUTCOMES**



Report by Cllr Tom Weatherston, Chair of IJB Audit Committee

1. PURPOSE AND SUMMARY

- 1.1. **To provide Members with the IJB Audit Committee Annual Report 2022/23, which presents the Committee's performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose, based on the outcomes of its self-assessments.**
- 1.2. It is important that the IJB 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).
- 1.3. The CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (hereinafter referred to as CIPFA Audit Committees Guidance) includes the production of an annual report on the performance of the IJB Audit Committee against its remit for submission to the IJB. The Audit Committee Annual Report 2022/23 (Appendix 1) is presented for consideration to demonstrate this best practice.
- 1.4. 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 Development Sessions on 20 March 2023 facilitated by the IJB Chief Internal Auditor. The self-assessments are appended to this report as Appendix 2 (Good Practice Principles) and Appendix 3 (Effectiveness) for consideration. 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. The Members of the IJB Audit Committee have identified further areas of improvement.

2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**
 - a) Approve the IJB Audit Committee Annual Report 2022/23 (Appendix 1) which presents the self-evaluation of the Committee's performance, effectiveness and areas of improvement, based on the outcomes of its self-assessments (Appendices 2 and 3) using the CIPFA Audit Committees Guidance; and
 - b) Agree that the IJB Audit Committee Annual Report 2022/23 (Appendix 1), which is designed to both provide assurance to the IJB and to identify actions to improve the IJB Audit Committee's effectiveness, should be presented to the IJB.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the IJB Audit Committee fulfilling its governance functions will indirectly impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
X	X	X	X	X	X

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
X	X	X	X	X	X

4. INTEGRATION JOINT BOARD DIRECTION

- 4.1 A Direction is not required. This is a routine good governance report for assurance purposes.
- 4.2 The Terms of Reference of the IJB Audit Committee includes the following function “9. Carry out the oversight and scrutiny of the implementation of the Strategic Commissioning Plan and the application of the Directions Policy. Monitor and review progress with the implementation of Directions made to partners to ensure that clarity and transparency can be demonstrated and is aligned to performance and financial reporting, and escalate key delivery issues to the IJB. Maintain independent oversight of progress against the Strategic Commissioning Plan, and provide assurance to the IJB thereon.”

5. BACKGROUND

- 5.1. It is important that the IJB 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).
- 5.2. 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.

6. IJB AUDIT COMMITTEE SELF-ASSESSMENTS AND ANNUAL REPORT 2022/23

- 6.1. The IJB Audit Committee Annual Report 2022/23 is appended to this report (Appendix 1) for consideration to demonstrate the CIPFA Audit Committees Guidance best practice. The Members of the IJB Audit Committee engaged in the 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 20 March 2023, which was facilitated by the IJB Chief Internal Auditor. The self-assessments are appended to this report as Appendix 2 (Good Practice Principles) and Appendix 3 (Effectiveness) for consideration.
- 6.2. 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. The Members of the IJB Audit Committee have identified further areas of improvement.
- 6.3. The IJB Audit Committee Annual Report 2022/23 is designed both to provide assurance to the IJB's full Board on the effectiveness of the Audit Committee in meeting its purpose and to provide some actions for the Committee to further improve its effectiveness.

7. IMPACTS

Community Health and Wellbeing Outcomes

- 7.1. This is a routine good governance report for assurance purposes and, as a result, assessment of the impact on the National Health and Wellbeing Outcomes is not relevant.

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	
5	Health and social care services contribute to reducing health inequalities.	
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	
7	People who use health and social care services are safe from harm.	
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	
9	Resources are used effectively and efficiently in the provision of health and social care services.	

Financial impacts

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

Equality, Human Rights and Fairer Scotland Duty

7.3. This is a routine good governance report for assurance purposes and, as a result, completion of an integrated impact assessment is not an applicable consideration.

Legislative considerations

7.4. The Scottish Borders Health and Social Care Integration Joint Board (IJB), 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.

7.5. The IJB 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 IJB to function effectively.

Climate Change and Sustainability

7.6. IJB Audit Committee meetings and Development Sessions during 2022/23 have been held using a virtual platform MS Teams to minimise the need for business travel and reduce potential climate impact.

Risk and Mitigations

7.7. 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.

8. CONSULTATION

Communities consulted

8.1. This is a routine good governance report for assurance purposes and, as a result, consultation with communities is not required.

8.2. The members of the IJB Audit Committee were engaged in the annual self-assessment process during the Development Session on 20 March 2023, facilitated by the IJB Chief Internal Auditor.

Integration Joint Board Officers consulted

8.3. The IJB Board Secretary, the IJB Chief Financial Officer and the IJB Chief Officer have been consulted on this report to ensure their awareness of its content.

Approved by:

Cllr Tom Weatherston, Chair of IJB Audit Committee

Author(s)

Jill Stacey, IJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)

Background Papers: CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition

Previous Minute Reference: IJB Audit Committee 19 December 2022; IJB 21 December 2022

For more information on this report, contact us at Internal Audit intaudit@scotborders.gov.uk

**SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD
AUDIT COMMITTEE
ANNUAL REPORT FROM THE CHAIR – 2022/23**

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

Meetings

The IJB Audit Committee has met 5 times on a virtual basis during the financial year on 20 June, 31 August (extraordinary meeting), 28 November and 19 December 2022, and 20 March 2023 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 2021/22 in August 2022 and the audited Annual Accounts 2021/22 in November 2022, 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.

The role of the IJB Audit Committee also includes the monitoring of the delivery of the IJB's Strategic Commissioning Plan and progress against its Directions, which reflects the development of the IJB's refreshed Approach to Commissioning and formal Directions Policy. In accordance with the timelines in the IJB Directions Tracker, the IJB Audit Committee during its meetings on 20 June and 19 December 2022, and 20 March 2023 monitored and reviewed progress with the implementation of IJB Directions made to partners to assess service and financial performance, and achievement of objectives.

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 November 2022 by the IJB of an Independent Member from the community, following an external recruitment and selection process.

The Committee membership during the year 2022/23 was Councillor T Weatherston (Chair), Councillor J Cox (to December 2022), Councillor N Richards (from February 2023), Mrs K Hamilton, Mrs L O’Leary, and Mr K Harrod (Independent Member) (from November 2022).

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

Member	20 June 2022	31 August 2022	28 November 2022	19 December 2022	20 March 2023
Cllr T Weatherston (Chair)	√	√	√	√	√
Cllr J Cox					
Cllr N Richards					√
Mrs K Hamilton	√	√	√	√	√
Mrs L O’Leary	√	√	√	√	√
Mr K Harrod (Independent Member)				√	√

The meetings of the IJB Audit Committee in 2022/23 were quorate (i.e. at least three Members present).

All other individuals who attended the meetings are recognised as being “in attendance” to support the Committee. The Chief Officer, Chief Financial Officer (from August 2022), 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.

The CIPFA ‘Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition’ includes the Audit Committee Members’ Knowledge and Skills Framework, which has been used by the IJB Audit Committee. Current members including the new external member have each completed a self-assessment during 2022 using this toolkit, which were used to inform the content of the Development Sessions as well as to provide other information to individuals to meet their needs.

Core Knowledge: Organisational Knowledge; Audit Committee role and functions; Governance; Internal Audit; Financial Management and Accounting; External Audit; Risk Management; Counter Fraud; Values of Good Governance.

Core Skills: Strategic Thinking and Understanding of Materiality; Questioning and Constructive Challenge; Focus on Improvement; Able to Balance Practicality against Theory; Clear Communication skills and Focus on the Needs of Users; Objectivity; Meeting Management Skills (for the Chair).

Self-Assessment of the Committee

Members of the IJB Audit Committee carried out the annual self-assessment on 20 March 2023 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:

- Arrange a meeting of Chairs of IJB, SBC and NHS Borders audit committees in 2023 as an opportunity to share practice and understand the governance arrangements and assurance frameworks of the Partners on which reliance is placed (for example, value for money arrangements, and counter fraud and corruption arrangements).
- Liaise with Officers to present reports on Records Management Plan actions to enable the Committee to fulfil this oversight function within its Terms of Reference.
- Liaise with Officers on the use of standard templates and prompt lists to provide structure to facilitate more effective scrutiny by the Audit Committee of the implementation of IJB Directions and the achievement of objectives set out in the Strategic Framework.

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, which outline the business conducted.
- The IJB Audit Committee has operated in accordance with its agreed Terms of Reference, and accordingly with the best practice audit committee principles within the CIPFA Position Statement from the CIPFA 'Audit Committees' Guidance.
- It did the above 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, and considered relevant national reports that give rise to introducing best practice arrangements or lessons learned.
- 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.
- During their annual self-assessment Members of the IJB Audit Committee have reflected on the Committee's performance during the year in respect of its functions and effectiveness, and have identified areas for further improvement.

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

None.

Cllr Tom Weatherston
Chair of IJB Audit Committee
19 May 2023

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 20 March 2023

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	IJB Chief Internal Auditor completed a review against CIPFA ‘audit committees’ Practical Guidance for Local Authorities and Police 2018 (deemed applicable to integration authorities’ audit committees). Amended Terms of Reference (TOR) approved by IJB 15 June 2022.
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 had periodic virtual meetings during the year in line with the Audit Cycle which were attended by the IJB’s Chief Officer, Chief Finance Officer, Chief Internal Auditor and External Auditor.
Does the audit committee provide support to the integration authority in meeting the requirements of good governance?	Yes	The IJB Audit Committee is a key part of the IJB’s governance framework as outlined in the IJB Local Code of Corporate Governance (approved 17 September 2018). The role of the IJB Audit Committee is to have high-level oversight of the IJB’s internal control, governance and risk management and its remit includes promotion of the highest standards of conduct and professional behaviour.
Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Yes	The IJB Audit Committee reviewed its Terms of Reference as part of the 2022/23 self-assessment of performance against best practice checklists on 20 March 2023. 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 effectively 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 20 March 2023

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

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 20 March 2023

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 2022/23 self-assessment of performance against best practice checklists on 20 March 2023, 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	<p>IJB Chief Internal Auditor completed review 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.</p> <p>Terms of Reference (TOR) includes the following as wider remit:</p> <ul style="list-style-type: none"> • Oversee and review progress on Records Management Plan actions (<i>Improvement required: no reports were presented during the year 2022/23 to fulfil this function</i>). • Carry out the oversight and scrutiny of the implementation of the Strategic Commissioning Plan and the application of the Directions Policy (<i>Improvement required: use of standard templates and prompt lists would provide structure to facilitate more effective scrutiny</i>).
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 2022/23 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 20 March 2023

Membership and support	Yes/Partly /No	Comments
<p>Has an effective audit committee structure and composition of the committee been selected?</p> <p>This should include:</p> <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • consideration has been given to the inclusion of at least one independent member 	Yes	<p>1st bullet point – The scrutiny arrangements in place, which are based on legislative requirements, do not meet with generally accepted principles of good practice (refer below).</p> <p>2nd 3rd and 4th bullet points – The IJB appoints the Committee membership which consists of at least four voting members of the IJB, excluding professional advisors, and an independent member appointed from an external source.</p>
<p>Have independent members appointed to the committee been recruited in an open and transparent way and approved by the IJB?</p>	Yes	<p>An independent member of the IJB Audit Committee was appointed to 31 October 2025 by the IJB Board on 16 November 2022 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 Councillor.</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 were held before each IJB Audit Committee meeting 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>	Yes	<p>During 2022, each of the IJB Audit Committee Members carried out a self-assessment using the CIPFA Audit Committees’ Knowledge and Skills Framework. The output was used to inform the content of discussions held at the virtual Development Sessions.</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, Chief Finance Officer, 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 20 March 2023

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	Informal feedback received IJB Chief Officer, Chief Finance Officer, Chief Internal Auditor and Secretary. External Auditor, Audit Scotland, provides commentary in the Annual Audit Report.
Are meetings effective with a good level of discussion and engagement from all members?	Yes	Recorded in Minutes. The IJB appointed two new Members during the year. There is an opportunity to engage and raise salient matters in virtual meetings.
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 and the Chief Finance Officer.
Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	Yes	Recommendations are made to the IJB in accordance with the business considered by the Audit Committee. An Action Tracker is used to monitor their satisfactory implementation.
Has the committee evaluated whether and how it is adding value to the organisation?	Yes	During its 2022/23 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 2022/23 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 effectively fulfil its remit.

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Areas where the Audit Committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment 5-1 See key below
1. Promoting the principles of good governance and their application to decision making	Supporting development of local code of governance. Providing robust review of the Annual Governance Statement (AGS) and the assurances underpinning it. Working with key members to improve their understanding of the AGS and their contribution to it. Supporting audits of governance arrangements. Participating in self-assessments of governance arrangements. Working with partner audit committees to review governance arrangements in partnerships.	Committee scrutinised Local Code of Corporate Governance and AGS. Opportunity for Members to engage with officers to clarify matters. Committee supports the role of audit in improving internal control and governance. Committee received presentations and reports from Management and Auditors. <i>Need to have a meeting of Chairs of IJB, SBC and NHS Borders audit committees in 2023.</i>	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. Annual Strategies, Plans and Reports received from Auditors for assurance purposes. IA and RM assurance resources provided by SBC; Audit Scotland are appointed EA.	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 AC 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 governance arrangements to meet strategic objectives.</p> <p>In accordance with the Directions Tracker, Committee monitored and reviewed progress with the implementation of Directions made to partners to assess service and financial performance, and achievement of objectives).</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>Reliance is placed on the value for money arrangements within the partner organisations; scrutiny of Directions provides information on benchmarking and options (<i>templates and prompt lists would provide structure to facilitate more effective scrutiny</i>).</p> <p>AGS sets out the Governance Framework including arrangements for best value.</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><i>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.</i></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 (EO meeting in August); audited along with Annual Audit Report (November due to delay in statutory 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 AC - Scottish Borders Council Audit Committee

**Scottish Borders Health and Social Care
IJB Audit Committee**

19 June 2023

**INTERNAL AUDIT ANNUAL ASSURANCE REPORT
2022/23 FOR THE IJB**



Report by Jill Stacey, IJB Chief Internal Auditor
(Scottish Borders Council's Chief Officer Audit & Risk)

1. PURPOSE AND SUMMARY

- 1.1. **To present the Internal Audit Annual Assurance Report for the year to 31 March 2023 for the Scottish Borders Health and Social Care Integration Joint Board (IJB), which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of the arrangements for governance, risk management and internal control by the IJB of the delegated resources.**
- 1.2. The Public Sector Internal Audit Standards (PSIAS) require the IJB's Chief Internal Auditor to prepare an annual report that incorporates: the opinion on the adequacy and effectiveness of Scottish Borders Health and Social Care Integration Joint Board's framework of governance, risk management and control; a summary of the work that supports the opinion; and a statement on conformance to the PSIAS.
- 1.3. Part of the IJB Audit Committee's remit is to assess the adequacy and effectiveness of the IJB's internal controls, corporate governance and risk management arrangements and to consider annual assurance reports. This includes receiving Internal Audit reports and overseeing progress on actions taken on audit recommendations.
- 1.4. To meet the requirements of the PSIAS, the Internal Audit Annual Assurance Report 2022/23 for the IJB (Appendix 1) includes: the Internal Audit independent assurance opinion on the adequacy and effectiveness of internal controls, governance and risk management arrangements within the IJB; provides details of the Internal Audit activity during the year to fulfil its role; and states the conformance of the SBC Internal Audit service to the PSIAS.

2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**
 - a) Consider the Internal Audit Annual Assurance Report 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1), which sets out the findings and conclusions arising from all Internal Audit work carried out during the year to 31 March 2023, consider the assurances therein, and provide any comments thereon; and
 - b) Consider the list of Internal Audit reports by Partners' Internal Auditors presented to their respective Audit Committees that are relevant to the IJB for assurance purposes (Appendix 2), and note that the IJB Chief Internal Auditor has taken account of these assurances to provide the statutory Internal Audit assurance to the IJB.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the Internal Audit work for the IJB on its systems of governance, risk and internal control will indirectly impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
X	X	X	X	X	X

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
X	X	X	X	X	X

4. INTEGRATION JOINT BOARD DIRECTION

- 4.1 A Direction is not required. This is a routine good governance report for assurance purposes.
- 4.2 The Internal Audit work that has been carried out during 2022/23 included a range of work associated with the IJB's Directions Policy and procedures, and the assurances thereon are included within Appendix 1.

5. BACKGROUND

- 5.1. The Public Sector Internal Audit Standards (PSIAS) require the IJB's Chief Internal Auditor to prepare an annual report that incorporates: the opinion on the adequacy and effectiveness of Scottish Borders Health and Social Care Integration Joint Board's framework of governance, risk management and control; a summary of the work that supports the opinion; and a statement on conformance with the PSIAS.
- 5.2. The Internal Audit service to IJB is provided by Scottish Borders Council's Internal Audit team, including the appointed IJB Chief Internal Auditor (SBC's Chief Officer Audit & Risk). The staff who performed the IJB Internal Audit work hold relevant professional qualifications and have the necessary experience, knowledge, skills and competencies (such as the Code of Ethics set out in the PSIAS).
- 5.3. The Internal Audit Annual Plan 2022/23 for the IJB, approved by the IJB Audit Committee on 14 March 2022, allocated 45 days to support the delivery of the Plan. The IJB Chief Internal Auditor provided an update to the IJB Audit Committee on 19 December 2022 on the progress being made on delivery of the 2022/23 Plan.

6. INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2022/23 FOR THE IJB

- 6.1. The Internal Audit Annual Assurance Report 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1) includes the IJB Chief Internal Auditor's independent and objective opinion regarding the adequacy and effectiveness of governance, risk management and internal controls within the IJB to fulfil the statutory role of Internal Audit. To ensure the annual reporting requirements of the Public Sector Internal Audit Standards (PSIAS) are met, the Report also includes a summary of the Internal Audit activity during the year that supports the opinion, and summarises the outcome of the self-assessment of the Internal Audit service against the PSIAS.
- 6.2. The Report provides assurances in relation to the IJB's corporate governance framework, that is a key component in underpinning the delivery of the IJB's strategic priorities. The Internal Audit opinion, findings and recommendations within the Internal Audit Annual Assurance Report 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board have been used to inform the IJB Chief Officer's Annual Governance Statement 2022/23.
- 6.3. In addition to its own governance arrangements, the IJB 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.
- 6.4. 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 the IJB for assurance purposes with a summary of assurances contained therein. The IJB Chief Internal Auditor has taken account of these assurances from Partners' Internal Auditors to provide assurance to the IJB.

7. IMPACTS

Community Health and Wellbeing Outcomes

- 7.1. This is a routine good governance report for assurance purposes and, as a result, assessment of the impact on the National Health and Wellbeing Outcomes is not relevant.

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	
5	Health and social care services contribute to reducing health inequalities.	
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	
7	People who use health and social care services are safe from harm.	
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	
9	Resources are used effectively and efficiently in the provision of health and social care services.	

Financial impacts

- 7.2. There are no additional costs attached to any of the recommendations contained in this report.
- 7.3. The Internal Audit work that has been carried out during 2022/23 included a range of work associated with the IJB's Financial Governance arrangements, and the assurances thereon are included within Appendix 1.

Equality, Human Rights and Fairer Scotland Duty

- 7.4. This is a routine good governance report for assurance purposes and, as a result, completion of an integrated impact assessment is not an applicable consideration.

Legislative considerations

- 7.5. 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.
- 7.6. The IJB 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 IJB to function effectively.

Climate Change and Sustainability

- 7.7. The Internal Audit work for the IJB has been carried out during 2022/23 using a virtual platform MS Teams to minimise the need for business travel and reduce potential climate impact.

Risk and Mitigations

- 7.8. The PSIAS require Internal Audit to evaluate the effectiveness of the IJB's Risk Management arrangements and contribute to improvements in the process.
- 7.9. Internal Audit provides assurance to IJB Management, Audit Committee and the Board on the adequacy and effectiveness of internal controls and governance within the IJB, including risk management, and to highlight good practice and recommend improvements.
- 7.10. It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of IJB Management implementing the Internal Audit recommendations. In addition to its own governance arrangements, the IJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners.

8. CONSULTATION

Communities consulted

- 8.1. This is a routine good governance report for assurance purposes and, as a result, consultation with communities is not required.

Integration Joint Board Officers consulted

- 8.2. The IJB Chief Internal Auditor is required to give an independent assurance opinion on the IJB's governance, risk management and internal controls. The IJB Chief Officer and the IJB Chief Financial Officer have been engaged during consultation on the findings and recommendations at draft report stage to outline the key messages of assurance and areas of improvement, and have agreed these to enable finalisation of the Internal Audit Annual Assurance Report 2022/23 for the IJB.

Approved by:

Jill Stacey, IJB Chief Internal Auditor

Author(s)

Jill Stacey, IJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)
Sue Holmes (SBC Principal Internal Auditor)
Chris Hurt (SBC Interim Senior Auditor)

Background Papers: Internal Audit Annual Plan 2022/23 for the IJB

Previous Minute Reference: IJB Audit Committee 14 March 2022

For more information on this report, contact us at Internal Audit intaudit@scotborders.gov.uk



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



**Auditors: Jill Stacey
Sue Holmes
Chris Hurt**

Internal Audit Annual Assurance Report 2022/23

to

IJB Chief Officer and IJB Chief Financial Officer

for

Scottish Borders Health and Social Care Integration Joint Board

1 Introduction

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

“The chief audit executive (IJB Chief Internal Auditor) must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

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

The annual report must incorporate:

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

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

My opinion is that there are generally sound governance arrangements, risk management and systems of internal control in place for Scottish Borders Health and Social Care Integration Joint Board to support the achievement of its objectives. Management have implemented improvements during the year.

The IJB generally operates under good public sector practice governance arrangements including the Scheme of Integration, Local Code of Corporate Governance, and Standing Orders, as well as through Board and Committee meetings that support scrutiny and transparency of decisions made.

The IJB Chief Officer reviews the IJB Strategic Risk Register on a quarterly basis and reports twice during the year to the Board. A risk management update is provided annually to the IJB Audit Committee who fulfil their oversight role to monitor the IJB’s risk management arrangements. Knowledge of the strategic risks faced by the IJB and associated mitigations also enables Board members to be more informed when making business decisions.

The IJB continues to demonstrate strategic leadership and the Health and Social Care Strategic Framework 2023-26 will support the IJB in its compliance with the Public Bodies (Joint Working) (Scotland) Act 2014. The Framework sets out the mission, vision, objectives, ways of working and outcomes for the next three years covering 2023-26, to improve the outcomes of our communities. The Directions Policy and Procedure ensures consultation through the Strategic Planning Group (SPG) on new Directions before they are considered by the IJB and outlines the approach required to ensure that clarity and transparency are demonstrated and aligned to performance and financial reporting. The Integrated Workforce Plan 2022-2025, underpinned by an Implementation Plan, is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the communities.

The Board receives performance information on a quarterly basis. The development of Performance Management arrangements is ongoing and requires more work in order to be an effective mechanism to monitor delivery of integrated services.

The IJB Chief Officer and IJB Chief Financial Officer are committed to continuous improvement in governance and internal control to reduce risk, which is demonstrated through progress with implementation of Internal Audit recommendations from prior years. The recommendation arising from this 2022/23 review has been agreed by Management as highlighted in Section 5. Internal Audit will continue to follow-up progress on their implementation.

3 Scope of the Internal Audit Annual Plan 2022/23

The Internal Audit work that has been performed during the year is in accordance with that set out in the approved Internal Audit Annual Plan 2022/23 for the IJB. The range and breadth of Internal Audit work, which is listed below, is sufficient to inform the Internal Audit overall assurance opinion and conclusions on the effectiveness and appropriateness of these arrangements in place for each area considered.

Governance and Risk Management Arrangements

- assess the governance and risk management arrangements in place to ensure they are operating as described

Strategic Commissioning

- assess the governance arrangements in place to redesign service delivery to meet the needs of service users and align with the IJB strategic plan priorities
- Evaluate the implementation of the Directions Policy to ensure clarity and transparency can be demonstrated
- Review progress with the development of the Workforce Planning Framework and the full Workforce Plan to support delivery of redesigned services

Performance Management

- Assess whether there is appropriate alignment of performance measures in the IJB's Performance Management Framework to key priorities and outcomes of the Strategic Commissioning Plan

Follow up of previous Internal Audit recommendations

- follow-up of progress on areas of improvement recommended in 2021/22 audit assurance work

Audit planning

- renew risk assessment, develop and consult on coverage within the IJB Internal Audit Annual Plan 2023/24

Audit Committee Self-Assessment

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

Corporate Governance

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

The IJB generally operates under good public sector practice governance arrangements supported by the IJB Local Code of Corporate Governance, which is based upon the CIPFA/SOLACE 2016 Framework. The Local Code reflects the appropriate framework for effective governance of the IJB's business, including its role as the strategic commissioning body, i.e. setting out when responsibility lies with the Chief Officer, Chief Financial Officer and the Board or where reliance is placed on the arrangements in place at its provider partners. A high level review of the Local Code of Corporate Governance was carried out during 2022/23 by Internal Audit, noting that it requires update to reflect current practices.

Effective leadership is essential to the IJB in delivering its strategic objectives. The new Chief Financial Officer was appointed on 1 August 2022.

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

The IJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council. This includes the existing mechanisms embedded within both NHS Borders and Scottish Borders Council for provision of Internal Audit assurances to their respective Audit Committees. Details of internal audit reports by Partners' Internal Audit providers to their respective Audit Committees and a summary of the assurances contained therein was provided to the IJB Audit Committee in December 2022, and further details are included as an Appendix to this report.

We have made no recommendations in respect of governance arrangements in this report.

Conclusion

The IJB generally operates under good public sector practice governance arrangements including the Scheme of Integration, Local Code of Corporate Governance, and Standing Orders, as well as through Board and Committee meetings that support scrutiny and transparency of decisions made.

Risk Management

Risk management is a process of identifying potential risks to the achievement of objectives in advance, analysing them and taking precautionary steps in order to mitigate those risks, thus managing the effect of uncertainty on objectives. Compliance with the principles of good governance requires the IJB to adopt a coherent approach to the management of risks that it faces in the achievement of its strategic objectives.

A Risk Management Policy and refreshed Risk Management Strategy were approved by the IJB in August 2020, following their endorsement by the IJB Audit Committee, which set out the role and responsibilities and the approach to the systematic identification, evaluation, management and review of the risks.

As an important and integral part of good governance and system of internal controls it is crucial that risks to the achievement of outcomes are identified and managed and must be considered in all aspects of decision making. The standard template for decision-making reports to the IJB and its Committees includes a section on implications covering risk. When taking a longer-term view with regard to decision-making, risks associated with the potential conflicts between the IJB's intended outcomes and short-term to medium-term financial constraints are unable to be evaluated until the Integrated Financial Framework has been developed.

The IJB Strategic Risk Register has been reframed to better reflect those facing the IJB as a separate legal entity and its strategic commissioning role, removing those risks relating to the partners, which is a positive development. The IJB Chief Officer, on a quarterly basis, carries out a review of the IJB Strategic Risk Register, which sets out the strategic risks associated with the achievement of objectives and priorities within the IJB Strategic Framework.

These reviews were undertaken with support from the SBC Corporate Risk Officer.

In addition, IJB Strategic Risk Register Updates were presented to the IJB in June 2022 and March 2023 (deferred from December 2022 and again from January 2023) in accordance with the requirement for reporting twice yearly to the IJB that is set out in the Risk Management Policy.

The bi-annual risk update reports and the IJB Strategic Risk Register are intended to provide the Board with assurance that the strategic risks associated with the achievement of objectives and priorities within the IJB Strategic Framework are being effectively managed and monitored.

Reliance continues to be placed on the risk management arrangements within the Partner organisations in respect of the operational delivery of commissioned services in order to consider the escalation to the IJB Chief Officer of any of these risks that significantly impact on the delivery of the IJB's objectives. Recent work has involved engagement with the NHS Borders Risk Officer to develop this further via the creation of the Integrated Risk Forum.

We have made no recommendations in respect of risk management arrangements in this report.

Conclusion

The IJB Chief Officer reviews the IJB Strategic Risk Register on a quarterly basis and reports twice during the year to the Board. A risk management update is provided annually to the IJB Audit Committee who fulfil their oversight role to monitor the IJB's risk management arrangements. Knowledge of the strategic risks faced by the IJB and associated mitigations also enables Board members to be more informed when making business decisions.

Strategic Commissioning is concerned with planning and commissioning integrated services and overseeing their delivery to meet the priorities identified in the Strategic Commissioning Plan (SCP).

The IJB is responsible for planning and commissioning integrated services and overseeing their delivery. The IJB, as strategic commissioner of health and social care services, gives Directions to NHS Borders and Scottish Borders Council for delivery of services in line with the SCP.

There is a statutory responsibility to review the efficacy in delivery of the strategic plan every 3 years. The SCP was due to be renewed and refreshed from April 2021, but it was deferred by agreement with the Strategic Planning Group (SPG). At the IJB meeting 17 February 2021, the Board approved the continuation of the SCP until April 2022. A review of the delivery against the Strategic Implementation Plan (SIP) by the IJB Audit Committee and the SIP Board, recommended that the IJB should focus its commissioning activities over 2022/23 on the outstanding areas that were not delivered from the SCP. Further advice from the Scottish Government indicated that from a policy perspective it was reasonable to go beyond the planned April 2022 date for completion of a revised SCP to allow for comprehensive consultation to take place with stakeholders. The IJB endorsed the approach of undertaking a comprehensive Joint Needs Assessment to inform and develop a SCP for 2023-26. The Health and Social Care 'Strategic Framework' has been developed which sets out the mission, vision, objectives, ways of working and outcomes for the next three years covering 2023-26, to improve the outcomes of communities. This was approved by the IJB at its meeting of 15 March 2023.

The Strategic Framework applies to the IJB as its Strategic Commissioning Plan, and supports the IJB in its oversight of all delegated services, set aside and integration agenda. The Strategic Framework sets out how the IJB will transform, commission and provide health and social care services over the next three years to improve and support the health and wellbeing of the people of the Scottish Borders. The Strategic Framework also sets the direction of travel for the 'Enjoying Good Health and Wellbeing' theme of the Scottish Borders Community Planning Partnership. The Framework will be used as the Strategic Commissioning Plan and support the focus of delivery of delegated services and set aside for Scottish Borders Council and NHS Borders.

An associated Integrated Financial Framework will be developed to support the finalised Strategic Framework, and ensure that the strategic objectives and ways of working are prioritised from a financial perspective in line with the principles of Programme Budgeting and Marginal Analysis and Best Value. An annual plan for 2023/24 was approved by the IJB on 17 May 2023, which outlines the priorities of the IJB and its partners for the year ahead.

The Future Strategy Group (FSG) supports the SPG in undertaking the 'analyse and plan' commissioning segments of the strategic commissioning cycle. The SPG will use this information to develop Directions as required which will be issued by the IJB. The FSG will not replicate the work of the SPG, but will develop the detail for the SPG to scrutinise and steer. As the FSG reports into the SPG this will ensure that the IJB's key partners and communities have oversight and input into all strategic commissioning plans and all Directions before they are considered by the IJB.

Legislation requires that the action the delivery partners are required to undertake are set out in formal instructions (Directions) from the integration authority. The Directions Policy and Procedure ensures consultation through the SPG on new Directions before they are considered by the IJB and outlines the approach required to ensure that clarity and transparency are demonstrated and aligned to performance and financial reporting. A Directions Tracker is in place; 11 Directions have been issued by the IJB during 2022/23. The IJB Audit Committee monitors and reviews implementation of Directions to provide assurance to the IJB that Directions are being delivered, and also has oversight of progress against the SCP and provides assurance to the IJB thereon. They identified this area within their annual self-evaluation as an area for improvement to ensure they can be fully effective in performing this scrutiny role.

The Integrated Workforce Plan 2022-2025 was approved by the IJB on 31 October 2022, prior to submission to the Scottish Government, and is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the Scottish Borders communities. Adopting the Integrated Workforce Plan will support the IJB in evidencing compliance with relevant legislation.

An Integrated Workforce Plan Implementation Board was established in January 2023 with membership from the sectors involved in the health and social care partnership, and Terms of Reference have also been determined. The aim of this Implementation Board is to ensure that the Integrated Workforce Plan delivers a coordinated and more comprehensive insight into what can be achieved by working together.

A report presented to the IJB on 15 March 2023 gave an update on the development of the Integrated Workforce Plan's associated Implementation Plan. Going forward, this will be refreshed and reported quarterly to the IJB. In addition, an annual progress report will be presented to the IJB, which will include a revised action plan for the following year, aligned to National Care Service developments.

The Partnership's Joint Staff Forum will ensure that cross sector organisational development is effectively monitored, although it is not specifically detailed how this will be carried out. Internal Audit has made a recommendation to ensure effective governance arrangements are in place to deliver all elements of the Integrated Workforce Plan to achieve its objectives.

Conclusion

The IJB continues to demonstrate strategic leadership and the Health and Social Care Strategic Framework 2023-26 will support the IJB in its compliance with the Public Bodies (Joint Working) (Scotland) Act 2014. The Framework sets out the mission, vision, objectives, ways of working and outcomes for the next three years covering 2023-26, to improve the outcomes of our communities.

The Directions Policy and Procedure ensures consultation through the Strategic Planning Group (SPG) on new Directions before they are considered by the IJB and outlines the approach required to ensure that clarity and transparency are demonstrated and aligned to performance and financial reporting.

The Integrated Workforce Plan 2022-2025, underpinned by an Implementation Plan, is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the Scottish Borders communities.

Performance Management

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

The IJB is responsible for ensuring that it has an effective performance management system that facilitates effective and efficient delivery of planned services within the overarching objective of an integration health and social care system.

The IJB has a clear vision with strategic objectives and outcomes. The Board receives performance information on a quarterly basis. During 2022/23 three Performance Reports were presented to the IJB (21 September and 21 December 2022, and 15 March 2023) in addition to the annual performance report. Performance reporting to the Board is focussed on the monitoring of three objectives:

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

Overall performance reporting has greater focus on identified Ministerial priority areas and the National Health and Wellbeing Outcomes indicators, which are primarily health based and less into performance in respect of social care. KPIs have not been established for all outcomes, particularly in the local context and there is not full alignment of performance measures to key priorities and outcomes.

The IJB publishes an annual performance report, as required by legislation, which outlines progress against national Health and Wellbeing outcomes. The latest published annual report for 2021/22 strikes a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous for users to understand. The report does not contain information concerning National Outcome 8 (People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide) and National Outcome 9 (Resources are used effectively and efficiently in the provision of health and social care services).

The IJB does not presently have adequate arrangements in place for ascertaining the quality of integrated services and whether those services represent value for money. Significant reliance is placed on service quality reviews which are undertaken by the Partners and independent assurance gained from external inspection bodies. Coverage is therefore not as comprehensive as it could be and outcomes are not necessarily reported to the IJB.

The Improvement Service will commence the facilitated evaluation in April 2023 with Management in the Partnership covering (a) IJB and (b) partnership including NHS Borders and Scottish Borders Council (delayed due to capacity constraints in the Improvement Service). This will enable the update on progress of the consolidated MSG improvement actions and Best Value areas of improvement action plan (previous Internal Audit recommendation).

We have made no further recommendations in respect of performance management in this report.

Conclusion

The Board receives performance information on a quarterly basis. The development of Performance Management arrangements is ongoing and requires more work in order to be an effective mechanism to monitor delivery of integrated services.

5 Follow up of Internal Audit Recommendations

There were four recommendations in the 2021/22 Internal Audit Annual Assurance Report; two that were still in progress from the previous year 2020/21 and two new recommendations in 2021/22. An update on progress with these recommendations was provided to the IJB Audit Committee on 19 December 2022. Since then, two of the recommendations have been completed and good progress has been made on the other two; one from 2020/21 and one from 2021/22. Extensions to completion dates have been granted to enable the Chief Officer with assistance from other to fully implement these actions.

Recommendation	Current Status, and Agreed action owner and timescale, as applicable
1 (2020/21) Workforce Planning	Medium
The Health and Social Care Partners should develop the Workforce Planning Framework and the full Workforce Plan in order to support the delivery of the new IJB Strategic Commissioning Plan. (AUDIT.140)	An integrated Workforce Plan 2022-2025 was approved by the IJB on 31 October 2022 at an Extraordinary Meeting, prior to submission to the Scottish Government. Complete
2 (2020/21) Corporate Governance – MSG Actions / Best Value Areas of Improvement	Medium
Updates on progress against the MSG Self Evaluation HSCP Action Plan and Best Value Areas of Improvement should be provided to the IJB Audit Committee every 6 months. (AUDIT.141)	The Improvement Service will commence the facilitated evaluation in April 2023 covering (a) IJB and (b) partnership including NHS Borders and Scottish Borders Council. Due date extended from 31 March to 30 June 2023 to reflect plans and resources (delayed due to capacity constraints in the Improvement Service). Responsible Owner: Chief Officer Completion Date: 30 June 2023
3 (2021/22) Corporate Governance – Communications/Consultation	Medium
The Communications Strategy requires review (last reviewed 2018) to ensure that it remains relevant in the current environment. (AUDIT.175)	The key principles of stakeholder consultation and engagement and new approach have been applied during the development of the Strategic Framework 2023-2026, which is working well. The IJB has commented on the notable improvement in communications and engagement. Due date extended from 31 March to 31 July 2023 to allow time to prepare the new document. Responsible Owner: Chief Officer Completion Date: 30 September 2023
4 (2021/22) Corporate Governance – Decision making	Low
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)	A new template has been adopted 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. Complete

6 Action Plan

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

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

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

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

1 (2022/23) Strategic Commissioning – Workforce Planning

Medium

The Partnership Joint Staff Forum monitoring and reporting mechanism regarding cross sector organisational development should be established and documented.

Management Response: The reporting schedule for workforce will be amended to include provision of oversight to the Joint Staff Forum.

Responsible Owner: CFO

Completion Date: 30 June 2023

Public Sector Internal Audit Standards (PSIAS)

The 2020/21 External Quality Assessment (required every 5 years) and 2022/23 Annual Self-Assessment of practices against the professional standards PSIAS (2017) have both indicated that Scottish Borders Council’s Internal Audit function conforms with the requirements within the 13 Assessment Areas of the Definition of Internal Auditing, the Code of Ethics, the Attribute Standards, and the Performance Standards. This includes the production of this report to communicate the results of its internal audit work during the year for the Scottish Borders Health and Social Care Integration Joint Board.

Below is the list of Internal Audit reports by partners' Internal Audit providers (SBC Internal Audit for Scottish Borders Council; Grant Thornton for NHS Borders) that have been presented in the second half of 2022/23 to their respective Audit Committees, which are relevant to the IJB 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 Committee 12 December 2022 (Source: Agenda, Reports and Minutes published on website modern.gov)	Adult Social Care - Self- Directed Support (2022/23)	To assess that the internal financial controls and governance arrangements regarding Self Directed Support (SDS) ensure that national policy objectives are being met and public funds are safeguarded.	Substantial assurance. Largely satisfactory risk, control, and governance systems are in place. Client records are held in the Mosaic system, which contains all the care plans and relevant information relating to the client. Three Medium and One Low rated recommendations: development of a structured policy review timetable; re-establishing Management Information; ensuring changes to care plans are actioned timeously; and completing a reconciliation process across systems.
	Public Protection (2022/23)	To review the governance arrangements, including roles and responsibilities of partners, to ensure statutory obligations are met, for both adults and children.	Substantial assurance. Largely satisfactory risk, control, and governance systems are in place to meet statutory obligations. From the transition to an integrated Public Protection Committee (PPC) model in January 2020, the PPC has fulfilled the statutory roles of the Adult Support Protection Committee and the Child Protection Committee. The PPC reports to the Critical Services Oversight Group (CSOG), an executive level group with representation from the Council, NHS Borders and Police Scotland.
	Internal Audit Mid-Term Performance Report 2022/23	To highlight the progress Internal Audit has made, in the first 6 months of the year to 30 September 2022, towards completing the approved Internal Audit Annual Plan 2022/23. It also summarises the statutory obligations for Internal Audit and requirements of the Public Sector Internal Audit Standards (PSIAS).	Provides details of the half-yearly progress by Internal Audit with the delivery of its programme of work, which indicates good progress. Audit Committee approved the revisions to the Internal Audit Annual Plan 2022/23. The programme of work for the six months from October 2022 to March 2023 with current resources indicates that the revised Internal Audit Annual Plan 2022/23 can be delivered in full.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Scottish Borders Council Audit Committee 13 February 2023 (Source: Agenda, Reports and Minutes published on website modern.gov)	Payroll (2022/23)	To carry out compliance testing of controls at Service level, including assurance work on Payroll processes for Council, Pension, and Election payrolls, and key controls to prevent fraud and error.	Comprehensive assurance. Sound risk, control, and governance systems are in place. These should be effective in mitigating risks to the achievement of objectives. Some improvements in a few, relatively minor, areas are being progressed by HR: drafting the formal Payroll Overpayment Policy to reflect existing processes; and further work with Line Managers to ensure timely notification of changes. No recommendations.
Scottish Borders Council Audit Committee 13 March 2023 (Source: Agenda, Reports and Minutes published on website modern.gov)	Follow-Up Review 2022/23 of Completed Internal Audit Recommendations (2022/23)	To provide an update on the results of the Follow-Up Review which included a sample check on the adequacy of new internal controls for Internal Audit Recommendations marked as completed by Management in the period January to December 2022.	From the seven (7) recommendations tested, all were found to have been completed satisfactorily. The evidence that was provided by Management indicated the recommendations had been implemented satisfactorily and the action taken had the desired outcome of improving internal control and governance, and reducing risk. This provides assurance of evidence-based continuous improvement.
	Internal Audit Charter	To present the updated Internal Audit Charter for approval that defines the terms of reference for the Internal Audit function to carry out its role. The Internal Audit Charter applies to the provision of Internal Audit services to the Pension Fund (PF) and the Health and Social Care Integration Joint Board (IJB), in addition to Scottish Borders Council (SBC).	The Internal Audit Charter defines the purpose, authority and responsibility of the Internal Audit activity, consistent with the Definition of Internal Auditing, Code of Ethics and Standards within the Public Sector Internal Audit Standards (PSIAS). The Audit Committee approved the Internal Audit Charter to ensure that Internal Audit is tasked to carry out its role in accordance with best practice.
	Internal Audit Strategy and Annual Plan 2023/24	To set out the strategy for discharging the Internal Audit role to provide the annual assurance opinions (applies to SBC, PF, and IJB). To propose the planned programme of Internal Audit work for Scottish Borders Council for the year (separate Annual Plans 2023/24 for PF and IJB for approval by respective Board/Audit Committee).	The Internal Audit Strategy outlines the strategic direction for how Internal Audit will achieve its objectives set out in the Charter, and guides the Internal Audit function in delivering high quality Internal Audit services. The Internal Audit Annual Plan 2023/24 sets out the range and breadth of audit areas and sufficient work within the audit programme of work to enable the CAE to prepare an Internal Audit annual opinion for SBC. The Audit Committee approved these.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee</p> <p>10 October 2022</p> <p>(Source: Minutes of meeting received on request)</p>	<p>Audit Follow Up (2022/23)</p>	<p>Follow up on progress by Management with the implementation of Internal Audit recommendations.</p>	<p>Of the 25 recommendations being followed up (15 brought forward and further 10 being added), 1 action was closed, 17 were not yet due, and 7 were overdue. Of the seven overdue actions two were rated as high and arose from the Mandatory and Statutory Training audits, which had revised timescales of 31 December 2022. Internal Audit confirmed to the Audit Committee that they were content with the revised timescales put forward.</p> <p>The Audit Committee noted verbal updates on outstanding recommendations by relevant Managers on:</p> <ul style="list-style-type: none"> • IT Recovery and Resilience; • Mandatory and Statutory Training; and • Estates & Facilities.
	<p>Internal Audit Plan Update (2022/23)</p>	<p>To highlight the progress Internal Audit has made in delivering the 2022/23 Internal Audit Plan as at 29 August 2022.</p>	<p>The report provided an update on progress with the 2022/23 Internal Audit Plan as at 29 August 2022. Since the report had been written it was noted that fieldwork for the IJB Governance (covering inter alia the Board's interaction with the IJB) and Property Transaction Monitoring audits would commence in the near future. Audit Committee agreed to the Management request to combine the Risk Management and Health and Safety audits to make best use of time (this would free up three days within the plan). There was a request to undertake an audit in regards to the Laboratory Information Management System (LIMS) replacement.</p>
<p>NHS Borders Audit Committee</p> <p>12 December 2022</p> <p>(Source: Minutes of meeting received on request)</p>	<p>Audit Follow Up (2022/23)</p>	<p>Follow up on progress by Management with the implementation of Internal Audit recommendations.</p>	<p>The Audit Committee noted verbal updates on outstanding recommendations by relevant Managers on:</p> <ul style="list-style-type: none"> • Workforce Planning; • Covid19 Governance; • GDPR and Information Governance; and • Estates & Facilities.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
NHS Borders Audit Committee 12 December 2022 (Cont'd) (Source: Minutes of meeting received on request)	Internal Audit Plan Update (2022/23)	To highlight the progress Internal Audit has made in delivering the 2022/23 Internal Audit Plan as at 2 December 2022.	The report provided an update on progress with the 2022/23 Internal Audit Plan as at 2 December 2022. There had been slippage on delivery but Internal Audit were confident that this would be made back up. Internal Audit were working with Management and gave assurance the audits would be delivered.
	Outpatient Activity (2022/23)	To consider the controls, both design and operation, in place at NHS Borders in relation to Outpatient productivity.	The report had an overall rating of partial assurance with improvement required. Three medium-rated findings and one low-rated finding had been reported. Internal Audit made reference to the executive summary of the report. Relevant Management made comments on the Internal Audit findings and recommendations for improvement, provided wider operational context information, and responded to various questions raised by members of the Audit Committee.
NHS Borders Audit Committee dd March 2023 (Source: Minutes of meeting received on request)	The March 2023 minutes are still draft and will be approved at the June 2023 meeting of NHS Borders Audit Committee. A copy of these Minutes will be provided thereafter.		

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

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**Scottish Borders Health and Social Care
IJB Audit Committee**

19 June 2023

IJB ANNUAL GOVERNANCE STATEMENT 2022/23

Report by Chris Myers, IJB Chief Officer



1. PURPOSE AND SUMMARY

- 1.1. **To propose that the IJB Audit Committee considers and approves the draft Annual Governance Statement 2022/23 of the Scottish Borders Health and Social Care Integration Joint Board by the IJB Chief Officer for inclusion in the unaudited IJB Annual Report and Accounts 2022/23 in preparation for the statutory audit process.**
- 1.2. The CIPFA/SOLACE Framework ‘Delivering Good Governance in Local Government’ (2016), which is deemed appropriate for the IJB under the legislative framework for integration authorities, urges authorities to review the effectiveness of their existing governance arrangements against their Local Code, and prepare a governance statement and report compliance on an annual basis.
- 1.3. Part of the IJB Audit Committee’s remit is to assess the adequacy and effectiveness of the IJB’s internal controls and corporate governance arrangements against the good governance framework and consider the annual governance reports and assurances to ensure that the highest standards of probity and public accountability are demonstrated.
- 1.4. The IJB Annual Governance Statement 2022/23 (Appendix 1), in compliance with the CIPFA/SOLACE Framework, provides details of the IJB’s Governance Framework, the annual Review of Framework undertaken, Improvement Areas of Governance, and Overall Opinion.

2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**
 - a) Consider the details of the Annual Governance Statement 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1) to ensure it reflects the risk environment and governance in place to achieve objectives, and acknowledges the actions identified by Management to improve internal controls and governance arrangements; and
 - b) Approve that it be published in the unaudited Annual Report and Accounts 2022/23 of the Scottish Borders Health and Social Care Integration Joint Board in preparation for the statutory audit process.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. The IJB's systems of governance, risk and internal control are designed to achieve the Health and Social Care Strategic Framework Objectives and will indirectly impact the Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
X	X	X	X	X	X

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
X	X	X	X	X	X

4. INTEGRATION JOINT BOARD DIRECTION

- 4.1 A Direction is not required. This is a routine good governance report for assurance purposes.
- 4.2 The IJB Annual Governance Statement 2022/23 (in Appendix 1) refers to the IJB's Directions Policy and procedures, as part of its governance arrangements.

5. BACKGROUND

- 5.1. The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.
- 5.2. The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration, Constitution and Standing Orders to make sure that public business is conducted with fairness and integrity. The Board has a standalone Terms of Reference setting out its remit.
- 5.3. The IJB Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
- 5.4. The IJB approved its Local Code of Corporate Governance in September 2018, on recommendation by the IJB Audit Committee, which helps to ensure proper arrangements continue to be in place to meet these responsibilities. The Local Code is consistent with the principles and requirements of the CIPFA/SOLACE Framework 'Delivering Good Governance in

Local Government’ (2016) which is deemed appropriate for the IJB under the legislative framework for integration authorities.

- 5.5. Fundamentally, Corporate Governance is about openness, integrity and accountability. It comprises the systems and processes, and cultures and values by which the authority is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its communities.
- 5.6. The CIPFA/SOLACE Framework urges authorities to review the effectiveness of their existing governance arrangements against their Local Code, and prepare a governance statement and report compliance on an annual basis.
- 5.7. Part of the IJB Audit Committee’s remit is to assess the adequacy and effectiveness of the IJB’s internal controls and corporate governance arrangements against the good governance framework and consider the annual governance reports and assurances to ensure that the highest standards of probity and public accountability are demonstrated. This includes to ‘Be satisfied that the authority’s assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority’s objectives’ .

6. IJB ANNUAL GOVERNANCE STATEMENT 2022/23

- 6.1. The IJB Annual Governance Statement 2022/23 (Appendix 1), in compliance with the CIPFA/SOLACE Framework, provides details of the IJB’s Governance Framework, the annual Review of Framework undertaken, Improvement Areas of Governance, and Overall Opinion.
- 6.2. In terms of overall corporate governance it is the IJB Chief Officer’s opinion that, although there are a few areas of work to be completed for full compliance with the Local Code, the overall governance arrangements of the IJB are operating adequately. The Annual Governance Statement 2022/23 is informed by the work of Internal Audit, External Audit and Inspection agencies, and existing governance and assurance mechanisms embedded within both NHS Borders and Scottish Borders Council.

7. IMPACTS

Community Health and Wellbeing Outcomes

- 7.1. This is a routine good governance report for assurance purposes and, as a result, assessment of the impact on the National Health and Wellbeing Outcomes is not relevant.

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	
5	Health and social care services contribute to reducing health inequalities.	

6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	
7	People who use health and social care services are safe from harm.	
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	
9	Resources are used effectively and efficiently in the provision of health and social care services.	

Financial impacts

- 7.2. There are no additional costs attached to any of the recommendations contained in this report.
- 7.3. The IJB Annual Governance Statement 2022/23 (in Appendix 1) refers to the IJB's Financial Governance arrangements.

Equality, Human Rights and Fairer Scotland Duty

- 7.4. This is a routine good governance report for assurance purposes and, as a result, completion of an integrated impact assessment is not an applicable consideration.

Legislative considerations

- 7.5. 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.
- 7.6. The IJB 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.

Climate Change and Sustainability

- 7.7. The IJB Annual Governance Statement 2022/23 (in Appendix 1) refers to the IJB's governance arrangements to enable it to fulfil its legal obligations including those relating to climate change and sustainability.

Risk and Mitigations

- 7.8. The IJB Annual Governance Statement 2022/23 details areas where additional work would further enhance the internal control environment, or improve risk management, and corporate governance arrangements of the IJB.
- 7.9. In addition to its own governance arrangements, the IJB 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 SBC have been used to provide assurance to the IJB.

8. CONSULTATION

Communities consulted

- 8.1. This is a routine good governance report for assurance purposes and, as a result, consultation with communities is not required.

Integration Joint Board Officers consulted

- 8.2. The IJB Chief Officer, the IJB Chief Financial Officer and IJB Chief Internal Auditor have been engaged during consultation on the content of the IJB Annual Governance Statement 2022/23.

Approved by:

Chris Myers, IJB Chief Officer

Author(s)

Jill Stacey, IJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)

Background Papers: IJB Local Code of Corporate Governance

Previous Minute Reference: IJB Audit Committee 20 June 2022

For more information on this report, contact us at Internal Audit intaudit@scotborders.gov.uk

Annual Governance Statement 2022/23

Introduction

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

Scope of Responsibility

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

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

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

The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either NHS Borders or Scottish Borders Council, as well as third sector, carer, public and professional non-voting members, and a Chief Officer and Chief Financial Officer appointed by the Board.

The IJB's Local Code of Corporate Governance (IJB Local Code), which was approved by the Board in September 2018, sets out the framework and key principles which require to be complied with to demonstrate effective governance. The IJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of the Framework is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The main features of the governance framework and internal control system associated with the IJB Local Code's 7 core principles of good governance in existence during 2022/23 included:

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

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

The IJB has adopted the new model code of conduct for members of devolved public bodies. Reliance is placed on the values and standards set out in the codes of conduct for the health and social care partnership staff within the employer partner organisations, which incorporate "The Seven Principles of Public Life" identified by the Nolan Committee on Standards in Public Life.

The IJB is dependent upon and places significant reliance on arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints;
- counter fraud and corruption arrangements in line with best practice, including ethical awareness training, whistleblowing policies and procedures, and identifying, mitigating and recording conflicts of interest, hospitality and gifts;
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- management of data in accordance with legislation; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

The IJB Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. Professional advice on the discharge of duties is provided to the Board by the IJB Chief Officer supported by the Board Secretary, Chief Financial Officer, and Chief Internal Auditor as appropriate.

B. Ensuring openness and comprehensive stakeholder engagement

Board meetings are public unless there are good reasons for not doing so on the grounds of confidentiality. Unless confidential, decisions made by the Board are documented in the public domain.

The key principles of stakeholder consultation and engagement, including the integration planning principles were applied during the development of the Strategic Framework 2023-26. A new Equalities and Human Rights Framework was approved in March 2023 which includes a new Equalities and Human Rights Impact Assessment that promotes consultation with people with protected characteristics and harder to reach groups.

A Future Strategy Group (FSG) supports the Strategic Planning Group (SPG) in undertaking the 'analyse and plan' commissioning segments of the strategic commissioning cycle.

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

The vision, strategic objectives, ways of working and outcomes are reflected in the Health & Social Care Strategic Framework 2023-26, informed by the comprehensive Joint Needs Assessment.

Implications and Consultation are considered during the decision-making process by way of the new report template (March 2023) covering: Community Health and Wellbeing Outcomes; Financial impacts; Equality, Human Rights and Fairer Scotland Duty; Legislative considerations; Climate Change and Sustainability; Risk and Mitigations.

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

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

The Strategic Framework applies to the IJB as its Strategic Commissioning Plan, and supports the IJB in its oversight of all delegated and set aside services and integration agenda. It sets out how the IJB will transform, commission and provide health and social care services over the next three years to improve and support the health and wellbeing of the people of the Scottish Borders.

An Integrated Financial Framework is being developed to support the Strategic Framework, and ensure that the strategic objectives and ways of working are prioritised from a financial perspective in line with the principles of Programme Budgeting and Marginal Analysis and Best Value. An annual plan for 2023/24 will outline the priorities of the IJB and its partners for the year ahead.

Directions are routinely used by the IJB in line with the Directions Policy and Procedure. Monitoring of progress on Directions is reported to the Audit Committee.

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

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

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

Members of the IJB Board are provided with the opportunity to attend Development Sessions relevant to their role, as do members of the IJB Audit Committee to enhance skills and knowledge. The latter undertakes an annual self-assessment against Audit Committee best practice. A facilitated self-evaluation with the IJB Board will inform areas for improvement.

The Integrated Workforce Plan 2022-2025 is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the communities.

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

The IJB Chief Officer has overall responsibility for the strategic commissioning of health and social care services. The IJB Board is responsible for key decision-making.

The IJB has approved a Risk Management Strategy. Improved strategic risk review and reporting to the Board have been established to embed risk management into IJB's culture.

The IJB Chief Financial Officer is responsible for the proper administration of all aspects of the IJB's financial affairs.

The IJB's system of internal financial control is dependent upon on the framework of appropriate financial regulations, codes of financial practice, and reporting standards.

Quarterly Revenue Budget Monitoring reports are presented to the Board for monitoring and control purposes including the annual outturn.

The 2023/24 budget includes reference to the development of a Financial Recovery Plan with its partners. It is expected that Directions will be used to support this.

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

Quarterly Performance Reports were presented to the IJB Board for the purposes of monitoring and control. An Annual Performance Report for 2022/23 will be presented to the Board to outline progress against strategic objectives during the year.

The independent and objective audit opinion of the IJB Chief Internal Auditor on the effectiveness of the IJB's internal control, risk management and governance arrangements is stated in the Internal Audit Annual Assurance Report for the IJB. Provision of Internal Audit services for the IJB by Scottish Borders Council's Internal Audit team is carried out in conformance with Public Sector Internal Audit Standards to fulfil statutory Internal Audit provision.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, and other bodies via the IJB Audit Committee, which is integral to overseeing assurance and monitoring improvements in internal control, risk and governance. The IJB Audit Committee undertakes its functions in compliance with the CIPFA Audit Committees Guidance, including the production of an annual report to the IJB on the performance of the IJB Audit Committee against its remit.

The Annual Accounts and Report for 2022/23 sets out the financial position in accordance with relevant accounting regulations, and are presented for review by the IJB Audit Committee prior to submission to the IJB Board for approval.

Review of Adequacy and Effectiveness

The IJB is required to conduct an annual review of the effectiveness of its governance framework.

The review was informed by: an annual assessment by Internal Audit against the IJB's Local Code of Corporate Governance; Internal Audit reports for IJB; External Audit reports for IJB; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Borders and Scottish Borders Council) Internal Audit and External Audit reports.

In respect of the four improvement areas of governance identified by the IJB in 2021/22, there has been progress made with their implementation. Two recommendations are now complete (Develop the Workforce Planning Framework to align to Strategic Commissioning Plan; Ensure the key themes of consultation and sustainability are evidenced in reports used for decision-making to enhance transparency), and two recommendations are still in progress with extensions granted to completion dates to enable the IJB Chief Officer to fully implement these. These therefore continue to be noted below, nos. 1-2. One further recommendation was made by Internal Audit arising from their 2022/23 review to enhance corporate governance arrangements, no. 3 below.

Improvement Areas of Governance

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

- 1 Ensure regular updates on progress against the Ministerial Strategy Group (MSG) Self Evaluation HSCP Action Plan and Best Value Areas of Improvement.
- 2 Review and update the Communications Strategy to ensure that it remains relevant in the current environment in respect of stakeholder consultation and engagement.
- 3 Establish a mechanism for the Partnership Joint Staff Forum to monitor and report on cross sector organisational development during the delivery of the Integrated Workforce Plan.
- 4 Develop financial reporting to ensure compliance with guidance in relation to the set aside, in collaboration with NHS Borders.
- 5 Formalise engagement of the IJB Chief Financial Officer in the scrutiny and monitoring arrangements for the NHS Borders Financial Improvement Plan.

The implementation of the associated Action Plan, Nos.1-3 set out within the Internal Audit Annual Assurance Report 2022/23 and Nos. 4-5 set out in the External Audit Annual Report 2021/22, to enhance the governance arrangements will be driven and monitored by the IJB Chief Officer and IJB Chief Financial Officer in order to inform the next annual review. Internal Audit work planned in 2023/24 will follow-up on progress with implementation of the Action Plan.

Conclusion and Opinion on Assurance

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

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**Scottish Borders Health and Social Care Partnership
Integration Joint Board Audit Committee**

19 June 2023

IJB Draft Annual Accounts 2022/23

Report by Hazel Robertson, IJB Chief Finance Officer



1. PURPOSE AND SUMMARY

- 1.1. To consider the content of the draft unaudited annual accounts and identify any corrections or clarifications required.
- 1.2. Please note that the performance report is still to be completed, this is to ensure that the most recent information can be collated and analysed.
- 1.3. Figures for the remuneration report have been received very recently and require a little more work.
- 1.4. The document has a prescribed format and required content however because the annual accounts are placed in the public domain whilst still in draft unaudited form, this provides an opportunity for seeking feedback from our workforce and our population. Comments and queries are welcomed to ensure that the overall report is clearly understood.

2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**

Consider the draft unaudited IJB Annual Accounts, identify any required changes and approve them for placing in the public domain subject to inclusion of performance report and confirmation on remuneration report.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the proposal will impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
				x	

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
	x	x			x

4. INTEGRATION JOINT BOARD DIRECTION

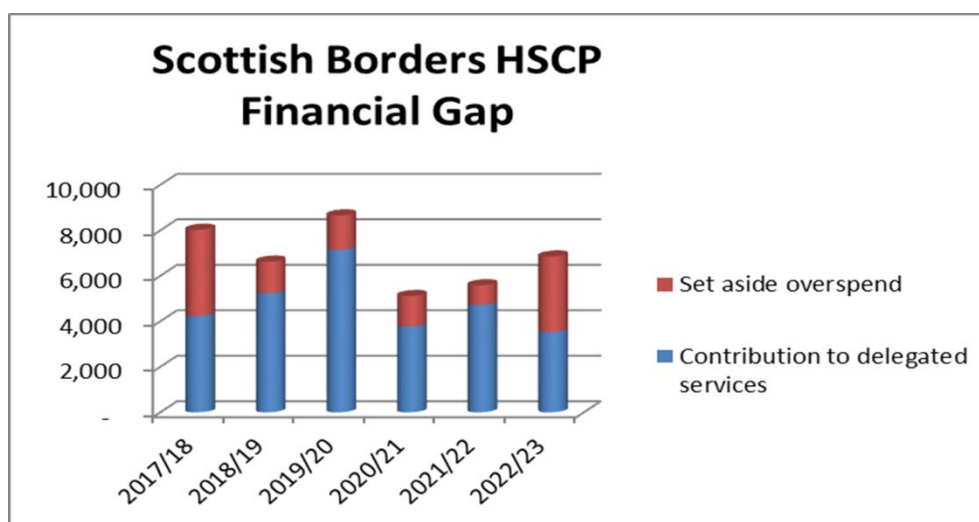
4.1. A Direction is not required.

5. BACKGROUND

- 5.1. Under the IJB Financial Regulations we are required to prepare a draft unaudited set of accounts, for public consultation. Draft accounts need to be available by end June, and then subject to audit, the final version will be considered by the IJB Audit Committee and approved by the IJB in November.
- 5.2. The two partner bodies, NHSB and SBC have prepared their accounts and are now undergoing audit. Their audits are nearing completion. The compilation of accounts and the audit process consumes a significant amount of senior finance time and the three organisations need to work together effectively. There could be changes that emerge from one audit which impacts on another partner.
- 5.3. The format is broadly unchanged from last year although I have tried to improve the presentation and make improvements in the narrative, particularly to try and make the financial position more accessible.
- 5.4. Some of the sections of the report (foreword, performance) have not yet been collated.
- 5.5. Members will see the following elements through separate and more detailed reports to the Committee: performance report, risk register, directions tracking and governance statement.

6. 2022/23 FINANCIAL OUTTURN

- 6.1. The outturn for 2022/23 shows an improved position for delegated services with a reduction in the overspend in healthcare delegated services from £4.721m last year to £3.521m this year. Our ability to use earmarked reserves was central to this reduction. Therefore this is not a recurring benefit. Significant pressures were experienced in Mental Health services, Primary and Community Services, and a historic savings target of nearly £4.4m.
- 6.2. Set-Aside (large hospital unscheduled care) overspend has increased significantly from £0.866m to £3.358m. Pressures were experienced across all unscheduled care services as well as a historic savings target of £0.944m.
- 6.3. The overall financial performance, compared with previous years is shown in Table 1 below. The financial position has been challenging since inception of the IJB. Delegated services has improved however Set-Aside remains very challenging.



6.4. I have requested information (very recently) from SBC to enable me to add a section about the use of Carer Act funding, as this is an area of significance for the IJB and other readers to be sighted on. I hope to have this information by the end of the week.

7. IMPACTS

Community Health and Wellbeing Outcomes

7.1. It is expected that the proposal will impact on the National Health and Wellbeing Outcomes below:

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	No impact
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	No impact
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	No impact
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	No impact
5	Health and social care services contribute to reducing health inequalities.	No impact
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	No impact
7	People who use health and social care services are safe from harm.	No impact
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	Possibly some positive impact
9	Resources are used effectively and efficiently in the provision of health and social care services.	Hopefully some positive impact

7.2. No other local impacts.

Financial impacts

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

Equality, Human Rights and Fairer Scotland Duty

7.4. This report is a statutory governance requirement and is for information. There is no service proposal to be assessed.

Legislative considerations

7.5. This report meets statutory requirements to produce an annual report and financial statements. There are statutory dates for completion of the draft annual accounts for the IJB so that these can be placed on our website for public consultation, prior to being audited.

7.6. The draft inspection notice needs to be uploaded by 17 June. The IJB accounts will be uploaded alongside the suite of annual accounts prepared for the Council.

7.7. The notice makes it clear that IJB accounts will be available for inspection From Monday 3 July 2023 until Friday 21 July 2023.

7.8. Any person interested may object to the accounts or to any part of the accounts by:

- sending their objection in writing, together with a statement of the grounds of the objection, to the appointed auditors, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN or email at jboyd@audit-scotland.gov.uk no later than Monday 24th July.
- sending a copy of that objection and statement to the Director of Finance & Corporate Governance at Council Headquarters, Newtown St Boswells, TD6 0SA.

7.9. Where any person objects to the accounts the Auditors shall, if requested by that person, or the Council or by any officer of the Council who may be concerned, afford an opportunity of appearing before and being heard by the Auditor with respect to that objection. Any person or officer may appear and be heard personally or by a representative.

Climate Change and Sustainability

7.10. There are no climate change and sustainability impacts arising within this report.

Risk and Mitigations

7.11. Section 7.7 of the attached report describes the financial outlook, risk and approach we are taking to strive to

- achieve a greater level of recurring savings
- develop a long term financial model that will underpin a Best Value approach, designed to achieve more value with less resource.

8. CONSULTATION

Communities consulted

- 8.1. This report has not triggered an Integrated Impact Assessment. It is intended to have a process of engaging with the public on options under the IJB Financial Recovery Plan, which will involve a full impact assessment.
- 8.2. This report does relate to the Integration Planning Principles in that the document describes activity, outcomes, priorities, costs and risks across the Health and Social Care Partnership. It highlights that our financial position is challenging, and has been since inception of the IJB. With a new Strategic Commissioning Framework, Integrated Workforce Plan and developing Integrated Financial Framework, the need to do more, with more impact, and with less resource has never been more needed.

Integration Joint Board Officers consulted

- 8.3. The IJB Board Secretary, the IJB Chief Finance Officer and the IJB Chief Officer, IJB Chief Internal Auditor, Planning Manager have been consulted, and all comments received have been incorporated into the final report.
- 8.4. My thanks go to the finance teams in partner bodies who have been integral to compiling this document together.

Approved by:

Chris Myers, Chief Officer

Author(s)

Hazel Robertson, Chief Finance Officer

Background Papers:

IJB Annual Accounts 2022-23

Previous Minute Reference: not applicable

For more information on this report, contact us at Hazel Robertson, IJB Chief Finance Officer



Scottish Borders
Health and Social Care
PARTNERSHIP

Scottish Borders Integration Joint Board

ANNUAL ACCOUNTS

**For the Financial Year
01 April 2022 to 31 March 2023**

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PAGE NUMBERS TO BE UPDATED ONCE PERFORMANCE REPORT AND REMUNERATION REPORT UPDATED

A. Management Commentary



**Message from the Chief Officer,
Scottish Borders Health and Social Care Integration Joint
Board**

To be collated once report and accounts complete.

**Chris Myers
Chief Officer**

1. Purpose

Welcome to the Annual Accounts for the Scottish Borders Integration Joint Board (IJB) for the year ended 31 March 2023. The purpose of the Management Commentary is to assist readers to understand the Statement of Accounts and assess how the IJB has performed in fulfilling its duties during the financial year.

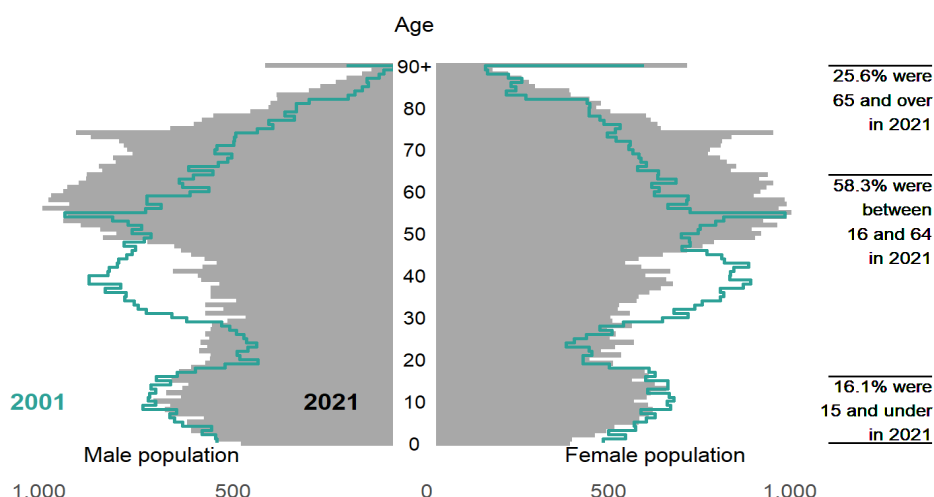
2. Background

The Scottish Borders covers an area of 473,614 hectares (1,827 square miles) and is located in the South East of Scotland. It is situated between Northumberland to the south, Edinburgh and the Lothians to the north, and Dumfries and Galloway to the west. It has a large land area and a sparse population density which presents challenges in organising the provision of health and social care.

Population Information from National Records Scotland

The Scottish Borders is a rural area which, in 2021, had a population of 116,020. From 2020 to 2021, the population of the region increased by 8.5%, which is significantly above Scotland's 0.25% rate of growth. The main reason for the growth in population is inward migration.

Scottish Borders
Population profile, 2001 and 2021



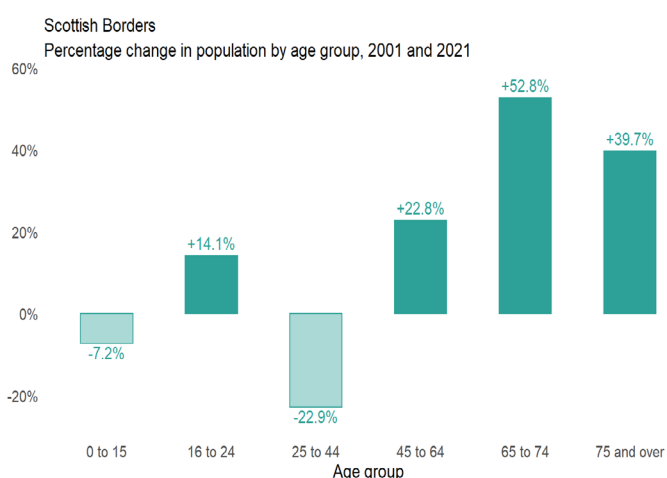
58.4% of the population of the Scottish Borders is aged between **16 and 64** years of age. This is against a national average of 63.9%.

The **45-64s** age group made up an above-average 30.2% of the Scottish Borders population.

25.2% of its population is **over 65** years of age, significantly above the national average of 19.3%.

In terms of overall size, the **45 to 64** age group was the largest in 2021, with a population of 35,080.

In contrast, the **16 to 24** age group was the smallest, with a population of 10,077.



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

These demographic factors directly drive our strategic objectives, transformation programmes, planned shifts in the balance of care, resource requirements, and costs.

3. About the Scottish Borders Integration Joint Board

On 6 February 2016, Ministerial approval was given under the Joint Working Public Bodies (Scotland) Act 2014 to establish the Scottish Borders Integration Joint Board between NHS Borders and Scottish Borders Council. The IJB is a separate legal entity set up to integrate the planning and commissioning of health and social care services in the Scottish Borders. The Scottish Borders IJB is a Public Authority focused on delivering improvements against the nine National Outcomes for Health and Wellbeing, and on achieving the core aims of integration.



To improve the quality and consistency of services for patients, carers, service users and their families



To provide seamless, integrated, quality health and social care services in order to care for people in their homes, or a homely setting, where it is safe to do so



To ensure resources are used effectively and efficiently to deliver services that meet the needs of the increasing number of people with long term conditions and often complex needs, many of whom are older

The table below sets out which services have been delegated to the IJB to strategically oversee and commission in line with our local priorities, the core aims of integration and the National Health and Wellbeing Outcomes. The day to day delivery of these services is managed through Directions to the Scottish Borders Health and Social Care Partnership which comprises NHS Borders, the Scottish Borders Council; and other delivery partners including third sector and housing.

ADULT SOCIAL CARE SERVICES*	ACUTE HEALTH SERVICES (PROVIDED IN A HOSPITAL)*	COMMUNITY HEALTH SERVICES*
<ul style="list-style-type: none"> • Social Work Services for adults and older people; • Services and support for adults with physical disabilities and learning disabilities; • Mental Health Services; • Drug and Alcohol Services; • Adult protection and domestic abuse; • Carers support services; • Community Care Assessment Teams; • Care Home Services; • Adult Placement Services; • Health Improvement Services; • Re-ablement Services, equipment and telecare; • Aspects of housing support including aids and adaptations; • Day Services; • Local Area Co-ordination; • Respite Provision; • Occupational therapy services. 	<ul style="list-style-type: none"> • Accident and Emergency; • Inpatient hospital services in these specialties: <ul style="list-style-type: none"> - General Medicine; - Geriatric Medicine; - Rehabilitation Medicine; - Respiratory Medicine; - Psychiatry of Learning Disability; • Palliative Care Services provided in a hospital; • Inpatient hospital services provided by GPs; • Services provided in a hospital in relation to an addiction or dependence on any substance; • Mental health services provided in a hospital, except secure forensic mental health services. 	<ul style="list-style-type: none"> • District Nursing; • Primary Medical Services (GP practices)*; • Out of Hours Primary Medical Services*; • Public Dental Services*; • General Dental Services*; • Ophthalmic Services*; • Community Pharmacy Services*; • Community Geriatric Services; • Community Learning Disability Services; • Mental Health Services; • Continence Services; • Kidney Dialysis outwith the hospital; • Services provided by health professionals that aim to promote public health; • Community Addiction Services; • Community Palliative Care; • Allied Health Professional Services

*Adult Social Care Services for adults aged 18 and over

*Acute Health Services for all ages – adults and children

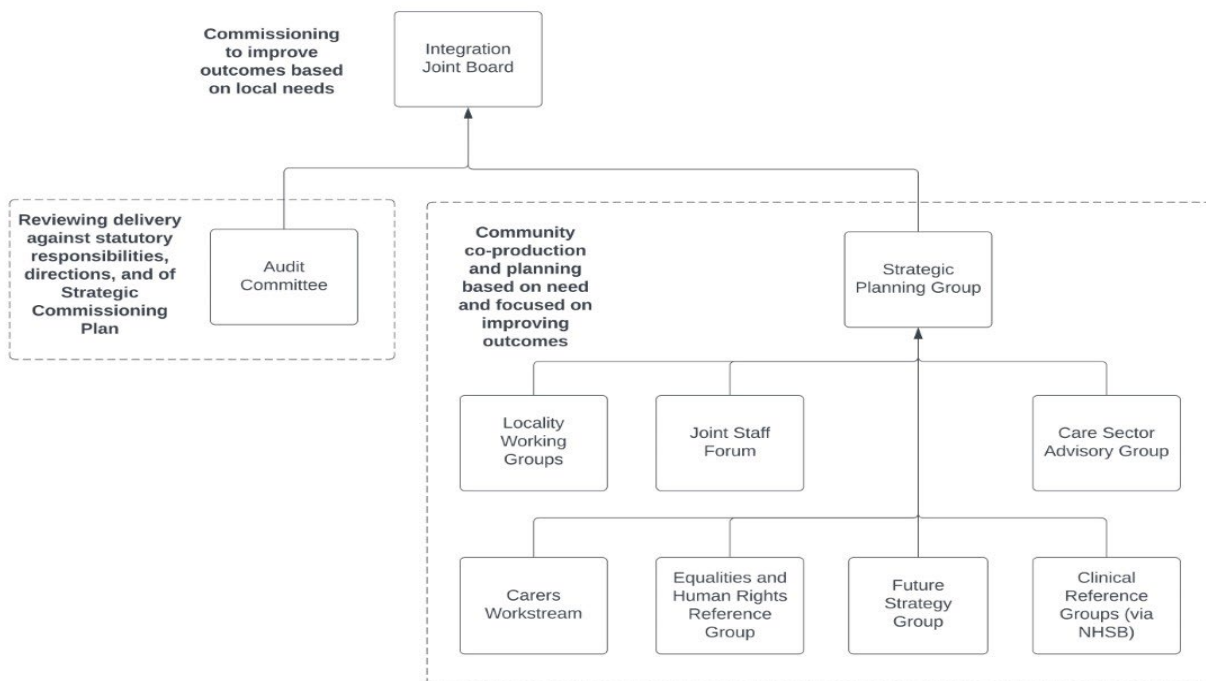
Community Health Services for adults aged 18 and over, and those marked with an (), also services for children

The IJB is responsible for the strategic planning of hospital services most commonly associated with emergency / unscheduled care (middle section above). Under the Regulations these are known as *Set-Aside* services.

Responsibility for planning and strategic commissioning of health and social care functions which have been delegated to (and set aside for) the *Health and Social Care Partnership (HSCP)* sits with the *Integration Joint Board (IJB)* as a statutory public body. Commissioning is needs based and outcomes focused. It involves significant levels of engagement and consultation with our stakeholders. The diagram and narrative below summarises our approach to commissioning (and de-commissioning).

The *Strategic Planning Group (SPG)* oversees the work of its subgroups and work streams, through

- developing new plans through meaningful co-production with our diverse communities
- ensuring implementation of the Integration Planning and Delivery Principles
- consultation and engagement with relevant stakeholders
- focus on impact and outcomes.



These groups are core to our design of services. The SPG ensures that groups provide the detail for plans to be approved by the IJB and Directions to be proposed for implementation by the HSCP:

- all Directions are underpinned by a thorough assessment of their impact on people with protected characteristics
- service design is through meaningful engagement and co-production with our communities and professionals.
- the Direction sets out the nature of the service change to be implemented by the Health Board and / or the Council.
- the SPG recommends the Direction for approval by the IJB.

The SPG operates in an agile manner. The number, nature and content of the groups will change to reflect priorities. The terms of reference and membership are determined by the SPG in partnership. Specialist input from colleagues is brought in as required to the SPG and the groups.

This is fundamentally built on trust between partner bodies, in a shared endeavour, with a willingness to tolerate acceptable risk, learn from experience, and continually adapt together. As a direct result therefore, governance arrangements are significantly stripped down, and have a greater reliance on

the delegation of responsibility. This approach is serving us well.

Locality Planning is a requirement but has not been fully in place in recent years due to the impact of Covid-19. It is now a priority to re-establish these arrangements so that this mechanism can inform and support delivery of the Strategic Commissioning Framework. Effective local engagement and involvement is critical to changes required to meet new and existing demands in the Borders. Professionals, communities and individuals can inform locality planning and redesign of services to meet local need in the best way.

The IJB have approved a programme to start with a pathfinder in the Eildon locality. This will take place in tandem with already established What Matters hubs where individuals and families can drop in for support. These hubs will be supported by the Third Sector, volunteers, Citizens Advice Scotland and other partners who act as gatekeepers, use an asset based conversation (effective conversation model) to triage and signpost to community support where possible. If more formal support is required the multi-disciplinary team can assist.

The *Audit Committee* reviews progress against Directions and the operation of systems of internal control.

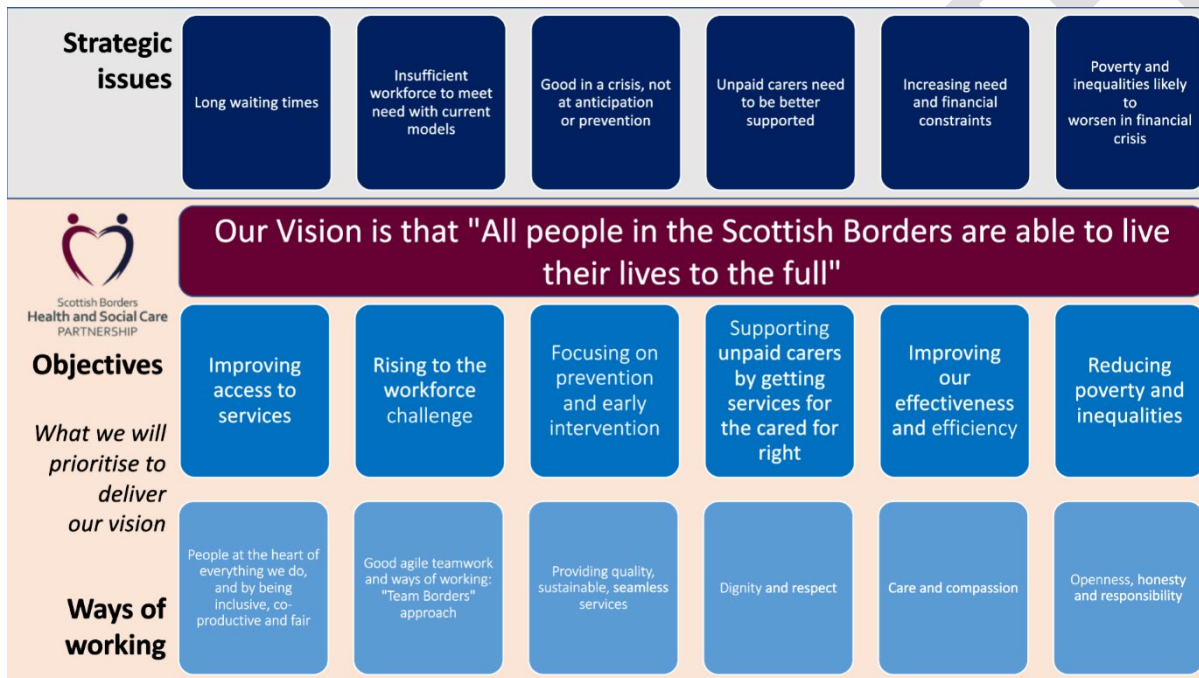
4. Strategic Planning and Commissioning

The IJB Strategic Plan 2018 – 2022 sets out what the IJB sought to achieve in relation to improved health and well-being for Borders residents. The plan:

- describes priorities and actions being taken forward, including shifting the balance towards more locality-based health and social care services
- outlines the performance measures used to assess progress being made.

4.1. Renewal of our Strategic Plan

A needs assessment has informed the creation of a new Strategic Commissioning Plan 2023-26, which was approved in March 2023. The infographic below shows the six strategic issues which translate to six objectives to enable delivery of our vision: that “all people in Scottish Borders are able to live their lives to the full”.



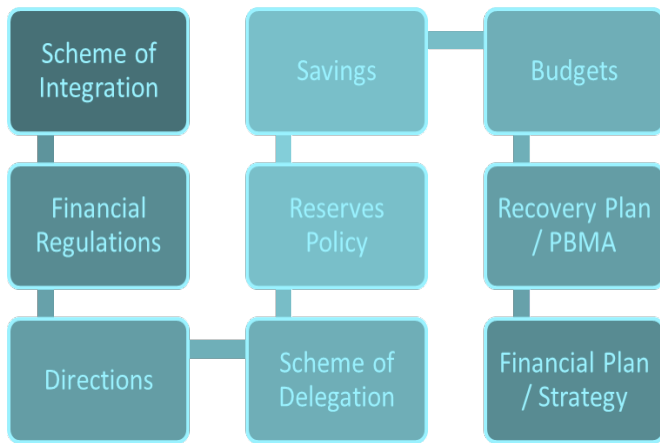
These are in turn supported by ways of working, an integrated Workforce Plan which was approved in October 2022 and a developing Financial Framework.

4.2. Workforce Plan

The Workforce Plan puts effective workforce planning at the forefront of achieving safe, integrated, high quality and affordable health and social care services for the people living in the Scottish Borders. There are actions associated with the Five Pillars of how we will: Plan, Attract, Train, Employ and Nurture the cross sector adult health and social care workforce working in the communities of the Scottish Borders.



4.3. Financial Framework



This diagram sets out the Financial Framework.

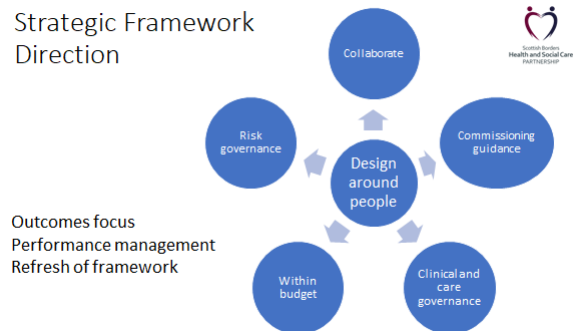
We have begun with a full review of the Reserves Policy (approved) and the Financial Regulations (to be approved June 2023).

A new toolkit has been approved which provides a basis for assessing the impact of use of resources and enabling decisions based on best value. The toolkit is currently being tested.

Further developments in 2023/24 will include a scheme of delegation and a longer term financial strategy.

For 2023/24 we have agreed a more comprehensive Direction to our delivery partners, SBC and NHSB, to implement the Strategic Commissioning Framework within the IJB governance arrangements and particularly within financial plan and budget parameters.

Following approval of the initial budgets the partnership is required to agree a financial recovery plan. At the time of writing this report (June 2023) this plan is in development.



4.4. Managing future resources

Recognising the financial position of the IJB and workforce positions of delivery partners, where possible, progress needs to simultaneously:

- ✓ improve outcomes
- ✓ reduce the workforce requirement and
- ✓ promote financial sustainability.

Progress against saving plans and the development of a Financial Recovery Plan will assist with IJB financial sustainability and the further re-prioritisation of funds for best value.

However there will be some areas which require pump-primed investment, and so the IJB will work to:

- ✓ develop the use of appropriate funds from available reserves or
- ✓ redirect resources from other services, and
- ✓ direct its partners accordingly.

The scale of work is significant and the SPG will require to provide guidance to the IJB on the prioritisation of required changes.

5. Performance Analysis

5.1. Progress during 2022/23

This section will be taken from the annual performance report and any specific commentary from the Audit Committee.

5.2. Health and Wellbeing Outcomes

This section will be taken from the annual performance report and any specific commentary from the Audit Committee.

5.3. Quantitative indicators

This section will be taken from the annual performance report and any specific commentary from the Audit Committee.

5.4. Year on Year Comparisons

This section will be taken from the annual performance report and any specific commentary from the Audit Committee.

The Annual Performance Report 2022/23 can be obtained online,
Add link when available

5.5. Qualitative Self-Assessment

At the end of 2022, the Improvement Service was commissioned to undertake a new self-assessment process for progress with implementation of the Ministerial Strategy Group priorities, on behalf of the IJB. Following a planning process, the Improvement Service sent out a self-assessment to IJB members in March 2023, asking them to agree or disagree with statements outlining the potential effectiveness of the IJB. The results are summarised in the table below.

Theme	Agree/Strongly Agree	Disagree/Strongly Disagree	Don't Know
IJB Response to COVID-19	73%	17%	10%
Leadership and Relationships	63%	24%	13%
Governance and Accountability	50%	39%	11%
Community Engagement and Participation	70%	27%	3%
Outcomes and Impact	37%	46%	17%
Performance Management and Use of Evidence	51%	38%	11%

Through a facilitated workshop the three priority areas agreed by IJB members were:

- Outcomes and impact: *“Consider how the IJB can further align resources to facilitate the desired shift to early intervention and prevention.”*
- Governance and accountability: *“Clarify the roles and responsibilities of IJB members to ensure they are clear on what is expected of them”.*
- Community engagement and participation *“Reflect upon the IJB’s current mechanisms for engaging with service users and the wider public to more effectively seek their views.”* Despite good progress in this area noted by IJB members, it was felt that this must continue to be an ongoing priority.

Action plans were developed for each of these three areas.

6. Work of the IJB during the year

6.1. The IJB agreed the following Directions:

- To SBC and NHSB to re-commission learning disability services from the market.
- To NHSB to implement the Primary Care Improvement Plan (PCIP) within available resources; to continue to engage with the Scottish Government regarding the shortfall in funding to implement the contract.
- To NHSB for the development of the Oral Health Strategy.
- To work in partnership to develop an integrated poly-pharmacy support service for all adult social care service users, provided by all providers.
- The Court of Session declared the previous decision to close the Teviot day service as unlawful. In response to this declaration, the IJB established an inclusive working group to undertake a needs assessment. Through extensive SBC to implement the agreed service model. Work is now progressing to review requirements and develop solutions for Newcastleton and the other localities.
- To NHSB to develop a Hospital at Home model within the Eildon locality.
- The Integrated Workforce Plan was approved, covering health, social care and third/independent sector.
- The Strategic Commissioning Framework 2023-26 was welcomed and approved by the IJB in March 2023. The Direction to SBC and NHSB was to implement the Framework in the context of the Financial Plan and Budget, and the Workforce Plan.

At June 2023, two Directions were considered to be of concern. Despite significant engagement with Scottish Government, PCIP funding remained materially less than required. The PCIP Executive are working on a proposal for the IJB to consider. The budget for 2023/24 is very challenging with significant savings targets which have not been fully identified. The IJB has requested a Financial Recovery Plan. The gap will not be able to be addressed in one year.

6.2. The IJB considered the significant pressures in the following services:

The IJB had an extensive discussion in relation to the establishment of care villages. A revised direction was required, to clearly set out the requirements for the Council, the Health Board and IJB.

The IJB noted the financial challenges around implementing the PCIP (and the resulting difficulty in implementing the new GP Contract). The implementation of the RENEW mental health and wellbeing service in Primary Care has been very successful with clients having a positive experience and workload for GPs has reduced.

The IJB had a specific session to consider pressures across the whole system. They considered updates in relation to the use of Multi-Disciplinary Funds and preparations for winter. Primary Care have undertaken adhoc surveys which demonstrate that pressures continue to increase. Pressures are prevalent in hospital services throughout the year. Work is being undertaken through the Kaizen Programme to redesign and transform hospital unscheduled care services. Members recorded their appreciation for what was happening and what teams were delivering on the ground to support patients and the local population with their health and care needs.

7. Financial Position at 31 March 2023

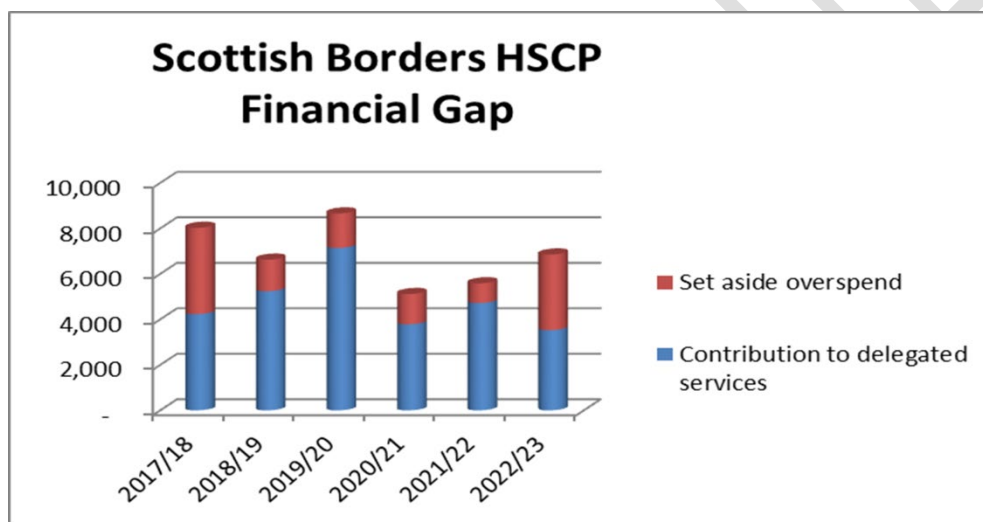
7.1. Introduction to Financial Performance

For delegated services, any year end overspends against budget trigger an “**additional payment**” from our partners, NHSB and SBC. There is no automatic requirement for these additional payments to be refunded in future years.

For set aside services, no such payment mechanism is required.

The financial position of the IJB has been challenging since its inception. Chart 1 below depicts the historic annual financial gaps based on the Set Aside overspend and additional payments for delegated services.

Chart 1 Scottish Borders IJB - Financial Gap



7.2. Financial Plan and Budget

For 2022/23, the IJB considered the draft budget and financial plan in March 2022, however these were not fully approved until 15 June 2022. The delay was due to a combination of inflationary risk, the level of uncertainty around budget allocations to councils and health boards and the consequent impact on savings targets.

7.3. Year-end Outturn

The Comprehensive Income and Expenditure Statement on page x shows a year end deficit of income over expenditure of **£2.524m** (last year surplus of **£16.356m**), which effectively represents the funds which were retained in reserves, and carried forward to 2023/24 to meet future earmarked expenditure plans. This deficit of income by itself is not an indicator of the financial health of the IJB.

The figure for last year was exaggerated by the retained Covid funding carried forward into 2022/23. The Covid reserve balance is now nil, with unused funds having been returned to the Scottish Government.

7.4. Delegated Services

The underlying financial performance of delegated services was an over-spend of **£3.521m (1.9%)** of the base delegated budget at 31 March 2023 (last year **£4.718m**). An additional allocation from NHS Borders was required to meet this additional in year spend. Table 1 below compares this with the previous year where the additional payment comprised **2.6%** of the delegated budget. This is a significant in year improvement, made possible through the use of earmarked reserves.

Table 1 Underlying Performance – Delegated services

SCOTTISH BORDERS INTEGRATION JOINT BOARD			
UNDERLYING FINANCIAL PERFORMANCE			
	SBC £'000	NHSB £'000	IJB £'000
Financial Plan delegated funding	(55,743)	(175,046)	(230,789)
Outturn spending	55,743	178,567	234,310
Current year 2022/23 additional payments required	0	3,521	3,521
Current year 2022/23 % value of additional payments over funding	0.0%	2.0%	1.5%
Last year 2021/22 additional payments required	0	4,718	4,718
Last year 2021/22 % value of additional payments over funding	0.0%	2.6%	2.0%

The 2022/23 year-end outturn for delegated functions is summarised in Table 2. Note that this indicates a break-even position, achieved by this additional payment of **£3.521m** from NHS Borders.

Table 2 Delegated Services Year-end Outturn 2022-23

	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Delegated Health Functions			
Joint Learning Disability Service	3,661	4,776	(1,114)
Joint Mental Health Service	21,288	20,843	445
Joint Alcohol and Drug Service	1,038	1,038	(0)
Older People Service	0	0	0
Physical Disability Service	0	0	0
Prescribing	23,432	25,263	(1,830)
Generic Services	95,543	96,565	(1,022)
NHSB Contribution to IJB	3,521	0	3,521
	148,484	148,484	0

- Savings targets were not achieved:
 - **£0.975m** in Mental Health and Learning Disability Services
 - **£3.379m** in Primary and Community Services
 - The NHS Borders Financial Turnaround Programme was paused in March 2020 due to the impact of the pandemic. The programme was restarted in July 2022.

- Significant financial pressures in NHS delegated functions:
 - High cost individual Learning Disabilities out of area placements
 - Use of premium rate staffing to cover medical workforce gaps within Mental Health
 - Prescribing volumes and price indicators show an increased spend within primary care
- The financial position in Social Care functions is in line with forecast, with slightly lower than expected demand for some services. These balances are carried forward in earmarked reserves and used in next year.

7.5. Large Hospital Budget (Set-Aside)

Legislation sets out that IJBs are responsible for strategic planning of hospital services most commonly associated with the emergency care pathway.

The IJB directed **£29.031** to NHS Borders for the Set-Aside budget in 2022/23. During the financial year, NHS Borders spent **£32.358m**, resulting in an over-spend of **£3.358m, (last year £0.866m)**. The over-spend remains the responsibility of NHS Borders, and as a result, has been absorbed within NHS Borders financial outturn.

The 2022-23 overspend is analysed across services as shown in Table 3. Significant pressures have been experienced throughout the year, relating to demand and capacity. As can be noted from Chart 1 above, the overspend in Set-Aside is significantly higher than in the previous four financial years.

Table 3 Set Aside Services Year-end Outturn 2022-23

<i>Set Aside Functions</i>	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Accident & Emergency, Out of Hours	3,777	4,999	(1,222)
Medicine of the Elderly	6,842	7,412	(569)
Medicine & Long-Term Conditions	19,355	19,946	(591)
Planned Savings & Actions	(944)	0	(944)
	29,031	32,358	(3,327)

This has required significant supplementary staffing to be deployed. Surge beds have remained open throughout the year. The Kaizen Improvement Programme has identified improvements which can be made. At the time of writing this report (June 2023), planning for Set-Aside services, as part of a whole system review, is looking to inform “right-sizing” bed capacity across the Scottish Borders supported by a single discharge to assess process.

7.6. Earmarked Reserves

The balances shown in Table 4 below relate to earmarked reserves. These reserves are created from ring-fenced allocations received from Scottish Government. Funds remain in reserves until spend plans are agreed and spend incurred. Expenditure often occurs over more than one financial year, and reserves are released to reflect in-year spending.

The brought forward reserves of **£25.546m** and in-year net reduction in reserves of **£16.773m**, results in total funds of **£8.773m** being carried forward to 2022/23 as shown in Table 4 below.

Movement in year was elevated to reflect the return of **£8.901m** unused (not required) Covid19 reserves to government.

Table 4 Ring fenced allocations and additional commitments outturn 2022-23

Portfolio	Opening Balance April 2022		Ring Fenced Allocations (RRL)	Additional Commitment (NHSB)	Total Balance end March 2023	2022/23 in-year movement
	£	£	£	£	£	£
ADP	974,522		611,098		611,098	(363,424)
BBV	97,329			45,520	45,520	(51,809)
Mental Health & Wellbeing	2,287,674		2,015,560		2,015,560	(272,114)
PCIP	1,522,980		386,736		386,736	(1,136,244)
PC Digital	346,527		126,468		126,468	(220,059)
PC Premises	339,878		106,308	112,280	218,588	(121,290)
PC Other	568,679		865,284		865,284	296,605
East Region Diabetes	1,492,998		832,471		832,471	(660,527)
Urgent & Unscheduled Care	871,566		785,439		785,439	(86,127)
Winter	427,468			33,047	33,047	(394,421)
Workforce & Wellbeing	687,261		85,046		85,046	(602,215)
Community Living Change Fund	377,966		377,966		377,966	0
Covid *	11,048,000				0	(11,048,000)
HB Support	3,720,613			2,027,851	2,027,851	(1,692,762)
Other	782,645		170,195	191,637	361,832	(420,813)
Grand Total	25,546,106		6,192,376	2,218,698	8,772,906	(16,773,200)

Note

* Scottish Government clawed back the balances on NHS Board's Covid reserve as at end of period 8, with costs continuing to be supported from period 9 - 12 based on actual spend. The final spend on Covid for the H&SC Partnership was £2,147,000. The funding returned to Scottish Government totalled £8,901,000.

7.7. Financial Outlook Future Years

The significant increase anticipated in the number of older people and their need for suitable services, requires innovative solutions to allow services to be provided within available staffing and funding levels and, within the capacity of the partnership to transform services.

In this context, the HSPC continues to experience significant financial risks with partners facing challenges in meeting the demand for services within the financial quantum and available staffing levels. As noted earlier in this report, the HSPC has faced significant financial challenges since its inception.

Although Strategic Plans cover multiple years, both NHS Borders and Scottish Borders Council receive only a 1-year financial settlement. This means that long term planning is challenging. Capacity to plan and deliver required levels of transformation and efficiency savings is also a key factor.

There are significant financial risks which require management and mitigation:

- Underlying savings targets of £2.26m for Set-Aside and £3.63m for delegated health budgets.
- If service pressures are not funded by the Scottish Government in full, neither partner will be able to make additional contributions to top-up the budget delegated to the IJB. Accordingly, the IJB may be at risk of overspend, without mitigating solutions.
- Workforce sustainability both internally and with our external care partners.
- The potential loss of service provision as a result of market failure would result in additional costs for alternative supply. The impact of inflationary pressure on third and independent sector is significant. National negotiations around the uplift have not yet concluded.
- Insufficient funding to implement the PCIP which underpins the new GP contract (from 1 April 2023).
- Prescribing remains high risk due to the volatility of price and supply.
- Services previously provided under the Transformation Programme have been permanently provided as recurring budget. Any future transformation activity will require additional resources to be identified.

The IJB did not approve the NHS initial delegated budget until its April 2023 meeting, because further information was requested. The IJB has targeted reaching final sign off of budgets by end June.

The IJB has requested a recovery plan be prepared, to address the pressures and risks, and the IJB budget was therefore presented on a one year basis pending agreement to the recovery plan.

Moving forward, two approaches are key to success:

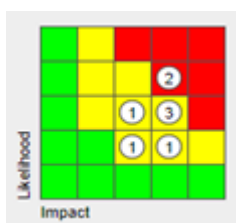
- Increased ability to identify a greater level of savings and management capacity to deliver those savings on a recurring basis.
- Developing a longer term financial model which will quantify the challenges ahead and allow us to use a Best Value approach to longer term financial planning, designed to provide more value with less resource. Using this approach to identify areas of lower priority, where it may be possible to realign spending plans to provide greatest benefit.

8. Risk, Uncertainty and Change

Effective risk management including financial risk is one of the key responsibilities of the IJB. The identification and management of risk is a management responsibility and is reviewed regularly by the IJB Audit Committee, ensuring that actions are in place to mitigate and manage risks appropriately.

In accordance with the IJB Risk Management Policy and Strategy, the IJB Chief Officer, on a quarterly basis, carries out a review of the IJB Strategic Risk Register, which sets out the strategic risks associated with the achievement of objectives and priorities within the IJB Strategic Commissioning Plan. The IJB Chief Officer and CFO carried out a management review of the previous iteration of the risk register on 25 March 2022. This was followed by a series of development sessions between May and July 2022 to reframe the Strategic IJB Risk Register to better reflect the role and remit of the IJB and support and underpin the objectives of integration, retaining all relevant elements from the original risk register before its deactivation.

The Risk Register and risk mitigation was last considered by the IJB in March 2023. At that time two risks were rated as likely: failure to live within budgets, and lack of infrastructure to operate effectively.



Risk Title	Description of risk	Score and Rating
IJB001 - Strategic Objectives	Failure to deliver the SBIJB strategic objectives could lead to the inability of the IJB to deliver the intended health and wellbeing outcomes and achieve the core aims of integration for the Scottish Borders population.	9 Moderate – Possible
IJB002 – Budget	If we fail to ensure the effective delivery of outcomes/delegated services within the available budgets then it could lead to poorer outcomes and an inability to deliver the Strategic Commissioning Plan.	16 Major – Likely
IJB 003 – Issuing of Directions	If the Directions issued by the IJB are unclear or are not implemented by partners then it may adversely impact on outcomes, resources and on the principles of integration.	8 Major – Unlikely
IJB 004 – Operating as a Separate Entity	If the IJB does not operate effectively as a separate entity in partnership with communities, the Council and the Health Board, then it could result in a failure to deliver the principles of integration and achieve its objectives.	6 Moderate – Unlikely
IJB 005 – Infrastructure	If the IJB lacks the professional, administrative and technical infrastructure to operate effectively it could result in failures of planning, governance, scrutiny and performance arrangements.	16 Major – Likely
IJB006 – Resources	If the IJB fails to make best use of the expertise, experience and creativity of its communities then it could result in negative impacts to the delivery of its strategic outcomes and poor relationships with its communities.	12 Major – Possible
IJB007 – Legislative/ Regulatory Compliance	If the IJB fails to comply with legislative and regulatory requirements it could lead to legal breaches and result in fines and/or prosecution.	12 Major – Possible
IJB008 – National Care Service Bill	SG’s National Care Service Bill (ultimately disbanding Scottish IJBs) could result in partners ceasing to engage with the IJB, subsequently leading to negative impacts on the achievement of IJB objectives and the communities it serves.	12 Major – Possible

B. Governance

9. The Integration Joint Board

Voting members

During 2022/23 the IJB was chaired by Mrs Lucy O'Leary, Non Executive of NHS Borders. During the same period the Vice-Chair was. Cllr. David Parker, Scottish Borders Council. In addition to the Chair and Vice-Chair, the IJB comprised four additional voting members from NHS Borders (Non-Executive Directors) and from Scottish Borders Council (Elected Members).

Non-Voting members

The Chief Officer of the IJB is Mr Chris Myers. The Chief Officer is a non voting member.

The Chief Finance Officer (CFO) is also a non-voting member although this post was vacant until 1 August 2022. This role is a statutory requirement, which, whilst vacant, was undertaken by Mr Andrew Bone, Director of Finance of NHS Borders and Mr David Robertson, Chief Financial Officer of Scottish Borders Council on a shared basis until 01 August 2022 when Mrs Hazel Robertson commenced as responsible officer under Section 95 of the Local Government (Scotland) Act 1973. Mrs Robertson has responsibility for signing the accounts of the IJB.

Non-voting members play an important role in the IJB. Members are invited from across the partnership and they provide expertise, engagement and representation of key stakeholders, eg Scottish Borders Council (eg Chief Social Work Officer), NHS Borders (eg Medical Director) and representatives of the Third Sector, Staff, GPs, Carers and Housing sector.

Invited members

An invite is extended to a further range of officers across Scottish Borders Council and NHS Borders, who provide expertise and support to the IJB.

Name	Designation	Membership status
Ms. Lucy O'Leary	Non-Executive Director, NHSB	Voting member (Chair)
Mrs. Harriet Campbell (until 31.10.22) Mrs Fiona Sandford (from 01.11.22)	Non-Executive Director, NHSB	Voting member
Ms. Karen Hamilton	Non-Executive Director, NHSB	Voting member
Mr. John McLaren	Non-Executive Director, NHSB	Voting member
Mr. Tris Taylor	Non-Executive Director, NHSB	Voting member
Cllr. David Parker	Elected Member, SBC	Voting member (Vice Chair)
Cllr. Jane Cox (until 31.12.22) Cllr. Neil Richards (from 01.02.23)	Elected Member, SBC	Voting member
Cllr. Robin Tatler	Elected Member, SBC	Voting member
Cllr. Elaine Thornton-Nicol	Elected Member, SBC	Voting member
Cllr. Tom Weatherston	Elected Member, SBC	Voting member
Non voting members		
Mr. Stuart Easingwood	Director of Social Work and Practice	Chief Social Work Officer
Dr. Kevin Buchan (until 26.09.22)	Chair of GP Subcommittee	General Practitioner

Dr. Rachel Mollart (from 27.09.22)		
Dr. Lynn McCallum	Executive Medical Director	Secondary Care Medical Practitioner
Ms. Sarah Horan	Director of Nursing and Midwifery and Allied Health Professionals	Nursing representative
Mr. David Bell	Unite	Staff-side
Ms. Vikki MacPherson /Ms. Gail Russell	Partnership NHS	Staff-side
Ms. Jenny Smith	Borders Care Voice	Third Sector representative
Ms. Juliana Amaral	Berwickshire Association of Voluntary Services and Borders Third Sector Interface	Third Sector representative
Ms. Lynn Gallacher	Borders Carers Centre	Carer representative
Ms. Linda Jackson	LGBTQ+ representative	Service User representative
Mr. Nile Istephan	Chief Executive, Eildon Housing Association	Housing representative
Mr. Chris Myers	Chief Officer and Joint Director of Health and Social Care	Integration Joint Board Chief Officer
Mrs. Hazel Robertson From 01.08.22	Chief Finance Officer	Section 95 Officer of the Integration Joint Board
Attendees by invite		
Miss Iris Bishop	Board Secretary	IJB/NHS Borders
Mr Ralph Roberts	Chief Executive	NHS Borders
Mr David Robertson	Chief Executive	Scottish Borders Council
Dr Sohail Bhatti	Director of Public Health	NHS Borders
Mrs June Smyth	Director of Planning & Performance	NHS Borders
Mrs Jen Holland	Director – Strategic Commissioning & Partnerships	Scottish Borders Council
Mrs Susie Flower (until 30.04.23) Mr Philip Grieve (from 17.05.23)	Chief Nurse Health & Social Care Partnership	NHS Borders
Mrs Laura Jones	Director of Quality & Improvement	NHS Borders
Mrs Wendy Henderson	Independent Sector Lead, Partners for Integration	Scottish Care
Mrs Clare Oliver	Head of Communications & Engagement	NHS Borders

C. Annual Statement of Accounts

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

Lucy O'Leary
Chair of the IJB

Chris Myers
Chief Officer IJB

Hazel Robertson CPFA
Chief Finance Officer IJB-
(Section 95 Officer)

D. Remuneration Report

10. Introduction

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

11. Remuneration

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

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

12. Remuneration of Integration Joint Board Members

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

The IJB does not provide any additional remuneration to the Chair, Vice-Chair or any other Board member. All IJB Board members are nominated to the IJB by their respective organisations at no cost. Expenses paid to IJB members including the Chair, Vice-Chair and other voting Board members are detailed below.

Remuneration Table 1: Members expenses - not yet complete

Expenses 2021/22 £	Name	Post held	From / to	Nominated by	Expenses 2022/23 £
1,082	Mr Malcolm Dickson		To 31/07/2021	NHS Borders	
1,117	Mrs Lucy O'Leary	Member	From 01/04/2021	NHS Borders	3,485
		Vice Chair	From 31/07/2021		
37	Dr Stephen Mather			NHS Borders	
511	Mr Tristram Taylor			NHS Borders	1,551
2,747					5,037

Footnote

NHS Board members expenses include sessional payments made by NHS Borders to recognise additional workload.

No information at this date about any expenses paid to members nominated by SBC. This will be updated before putting draft accounts on website for inspection.

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

13. Remuneration of Senior Employees

The term 'Senior Employee' means:

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

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

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

The Chief Financial Officer (CFO) undertakes the statutory role of Section 95 Officer for the IJB. The employment contract for the CFO will adhere to the legislative and regulatory framework of the employing partner organisation. The CFO role was performed jointly by the CFO of Scottish Borders Council and the Director of Finance for NHS Borders on an interim basis, until Mrs Hazel Robertson took up the IJB CFO role on a permanent basis on 22 August 2022. There was no additional remuneration or charge to the IJB for the interim arrangement. There are no other non-voting board members who meet the criteria for disclosure.

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

Remuneration Table 2: Senior Employees of the IJB

Total 2021/22 £	Name	Employing Organisation	Note	Salary 2022/23 £	Fees and allowance £	Total 2022/23 £
77,836	Mr Rob McCulloch-Graham	Scottish Borders Council	1	-	-	-
37,918	Mr Chris Myers	NHS Borders	2	92,034	-	92,034
-	Mrs Hazel Robertson	NHS Borders	3	54,284	-	54,284

Notes

- 1 Mr Rob McCulloch-Graham left the post of Chief Officer to the IJB on 31 October 2021. Only salary costs to this date have therefore been included.
- 2 Mr Chris Myers took up post of Chief Officer to the IJB on 1 November 2021. For 2021/22 Mr Myers annual salary was £85,966.
- 3 Mrs Hazel Robertson took up post of Chief Financial Officer to the IJB on 1 August 2022 thus there are no salary costs in 2021/22. Mrs Robertson's annual salary is £75,000.

- 4 Mr Andrew Bone, NHS Borders and Mr David Robertson, Scottish Borders Council jointly provided cover for the CFO role in 2021/22 and up to the date of Mrs Hazel Robertson taking up post in August 2022. There was no additional remuneration associated with this arrangement.

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

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

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

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

Remuneration Table 3: Pension benefits

Name	Employing Organisation	Note	In-year pension contributions for year to		Accrued pension benefits		
			31-Mar-22	31-Mar-23	Type	As at 31/3/23	Difference from 31/3/2022
			£	£		£	£
Mr Chris Myers	NHS Borders	1	nil	12,556	Pension	60,680	35,577
					Lump Sum	9,101	5,336
Mr David Robertson	Scottish Borders Council	2	nil	nil		nil	nil
Mr Andrew Bone	NHS Borders	2	nil	nil		nil	nil
Mrs Hazel Robertson	NHS Borders	3	nil	5,194	Pension	9,773	9,773
					Lump Sum	tbc	tbc

Notes

- 1 Mr Chris Myers took up post of Chief Officer to the IJB on 1 November 2021. Mr Myers annual salary for the period was £85,966.
- 2 Mr David Robertson, CFO Scottish Borders Council and Mr Andrew Bone, Director of Finance NHS Borders jointly performed the role of IJB CFO from 03 August 2020 to 31 July 2022. There was no additional remuneration or recharge to the IJB.
- 3 Mrs Hazel Robertson took up post of Chief Financial Officer to the IJB on 1 August 2022 thus there is no salary costs in the reporting period. Mrs Robertson's annual salary is £75,000.

The regulations require any officer whose remuneration for the year was **£0.050m** or above, to be disclosed in bandings of **£0.005m**. For the IJB in 2022/23 this is:

Remuneration Table 4: Remuneration Band of senior employees

Number of employees in Band 2021/22	Remuneration Band	Number of employees in Band 2022/23
	£55,001 - £60,000	1
1	£70,001 - £75,000	
	£105,001 - £110,000	1

Lucy O’Leary
Chair of the IJB

Chris Myers
Chief Officer IJB

On behalf of the Members and Officers of Scottish Borders Integrated Joint Board.

E. Statement of Responsibilities

14. Integration Joint Board

The Integration Joint Board is required to:

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

I confirm that these Annual Accounts were approved for signature by the Integration Joint Board at its meeting on 15 November 2023.

Signed on behalf of Scottish Borders Integration Joint Board.

Lucy O'Leary
Chair of the IJB

15. Chief Finance Officer

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

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

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

The CFO is also required to:

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

I certify that the financial statements give a true and fair view of the financial position of Scottish Borders Integration Joint Board as at 31 March 2023 and the transactions of the IJB for the year then ended.

**Hazel Robertson CPFA
Chief Finance Officer
(Section 95 Officer) IJB**

F. Annual Governance Statement

16. Introduction

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

16.1. Scope of Responsibility

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

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

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

16.2. The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either NHS Borders or Scottish Borders Council, as well as third sector, carer, public and professional non-voting members, and a Chief Officer and Chief Financial Officer appointed by the Board.

The IJB's Local Code of Corporate Governance (IJB Local Code), which was approved by the Board in September 2018, sets out the framework and key principles which require to be complied with to demonstrate effective governance. The IJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of the Framework is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The main features of the governance framework and internal control system associated with the IJB Local Code's 7 core principles of good governance in existence during 2022/23 included: *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law*

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

The IJB has adopted the new model code of conduct for members of devolved public bodies. Reliance is placed on the values and standards set out in the codes of conduct for the health and social care partnership staff within the employer partner organisations, which incorporate "*The Seven Principles of Public Life*" identified by the Nolan Committee on Standards in Public Life.

The IJB is dependent upon and places significant reliance on arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services

- handling complaints
- counter fraud and corruption arrangements in line with best practice, including ethical awareness training, whistleblowing policies and procedures, and identifying, mitigating and recording conflicts of interest, hospitality and gifts
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- management of data in accordance with legislation and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

The IJB Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. Professional advice on the discharge of duties is provided to the Board by the IJB Chief Officer supported by the Board Secretary, Chief Finance Officer, and Chief Internal Auditor as appropriate.

A. *Ensuring openness and comprehensive stakeholder engagement*

Board meetings are public unless there are good reasons for not doing so on the grounds of confidentiality. Unless confidential, decisions made by the Board are documented in the public domain.

The key principles of stakeholder consultation and engagement, including the integration planning principles were applied during the development of the Strategic Framework 2023-26. A new Equalities and Human Rights Framework was approved in March 2023 which includes a new Equalities and Human Rights Impact Assessment that promotes consultation with people with protected characteristics and harder to reach groups.

The Future Strategy Group (FSG) supports the Strategic Planning Group (SPG) in undertaking the 'analyse and plan' commissioning segments of the strategic commissioning cycle.

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

The vision, strategic objectives, ways of working and outcomes are reflected in the Health & Social Care Strategic Framework 2023-26, informed by the comprehensive Joint Needs Assessment. Implications and Consultation are considered during the decision-making process by way of the new report template (March 2023) covering: Community Health and Wellbeing Outcomes; Financial impacts; Equality, Human Rights and Fairer Scotland Duty; Legislative considerations; Climate Change and Sustainability; Risk and Mitigations.

C. *Determining the interventions necessary to optimise the achievement of the intended outcomes*

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

The Strategic Framework applies to the IJB as its Strategic Commissioning Plan, and supports the IJB in its oversight of all delegated and set aside services and integration agenda. It sets out how the IJB will transform, commission and provide health and social care services over the next three years to improve and support the health and wellbeing of the people of the Scottish Borders.

An Integrated Financial Framework is being developed to support the Strategic Framework, and ensure that the strategic objectives and ways of working are prioritised from a financial perspective in line with the principles of Programme Budgeting and Marginal Analysis and Best Value. An annual plan for 2023/24 will outline the priorities of the IJB and its partners for the year ahead.

Directions are routinely used by the IJB in line with the Directions Policy and Procedure. Monitoring of

progress on Directions is reported to the Audit Committee.

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

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

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

Members of the IJB Board are provided with the opportunity to attend Development Sessions relevant to their role, as do members of the IJB Audit Committee to enhance skills and knowledge. The latter undertakes an annual self-assessment against Audit Committee best practice. A facilitated self-evaluation with the IJB Board will inform areas for improvement.

The Integrated Workforce Plan 2022/25 is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the communities.

E. Managing risks & performance through robust internal control & strong public financial management

The IJB Chief Officer has overall responsibility for the strategic commissioning of health and social care services. The IJB Board is responsible for key decision-making.

The IJB has approved a Risk Management Strategy. Improved strategic risk review and reporting to the Board have been established to embed risk management into IJB's culture.

The IJB Chief Finance Officer is responsible for the proper administration of all aspects of the IJB's financial affairs.

The IJB's system of internal financial control is dependent upon on the framework of appropriate financial regulations, codes of financial practice, and reporting standards.

Quarterly Revenue Budget Monitoring reports are presented to the Board for monitoring and control purposes including the annual outturn.

The 2023/24 budget includes reference to the development of a Financial Recovery Plan with its partners. It is expected that Directions will be used to support this.

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

Quarterly Performance Reports were presented to the IJB Board for the purposes of monitoring and control. An Annual Performance Report for 2022/23 will be presented to the Board to outline progress against strategic objectives during the year.

The independent and objective audit opinion of the IJB Chief Internal Auditor on the effectiveness of the IJB's internal control, risk management and governance arrangements is stated in the Internal Audit Annual Assurance Report for the IJB. Provision of Internal Audit services for the IJB by Scottish Borders Council's Internal Audit team is carried out in conformance with Public Sector Internal Audit Standards to fulfil statutory Internal Audit provision.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, and other bodies via the IJB Audit Committee, which is integral to overseeing assurance and monitoring improvements in internal control, risk and governance. The IJB Audit Committee undertakes its functions in compliance with the CIPFA Audit Committees Guidance, including the production of an

annual report to the IJB on the performance of the IJB Audit Committee against its remit.

The Annual Accounts and Report for 2022/23 sets out the financial position in accordance with relevant accounting regulations, and are presented for review by the IJB Audit Committee prior to submission to the IJB Board for approval.

Review of Adequacy and Effectiveness

The IJB is required to conduct an annual review of the effectiveness of its governance framework. The review was informed by: an annual assessment by Internal Audit against the IJB's Local Code of Corporate Governance; Internal Audit reports for IJB; External Audit reports for IJB; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Borders and Scottish Borders Council) Internal Audit and External Audit reports.

In respect of the four improvement areas of governance identified by the IJB in 2021/22, there has been progress made with their implementation. Two recommendations are now complete (Develop the Workforce Planning Framework to align to Strategic Commissioning Plan; Ensure the key themes of consultation and sustainability are evidenced in reports used for decision-making to enhance transparency), and two recommendations are still in progress with extensions granted to completion dates to enable the IJB Chief Officer to fully implement these. These therefore continue to be noted below, nos. 1-2. One further recommendation was made by Internal Audit arising from their 2022/23 review to enhance corporate governance arrangements, no. 3 below.

Improvement Areas of Governance

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

- 1 Ensure regular updates on progress against the Ministerial Strategy Group (MSG) Self Evaluation HSCP Action Plan and Best Value Areas of Improvement.
- 2 Review and update the Communications Strategy to ensure that it remains relevant in the current environment in respect of stakeholder consultation and engagement.
- 3 Establish a mechanism for the Partnership Joint Staff Forum to monitor and report on cross sector organisational development during the delivery of the Integrated Workforce Plan.
- 4 Develop financial reporting to ensure compliance with guidance in relation to the Set-Aside, in collaboration with NHS Borders.
- 5 Formalise engagement of the IJB Chief Finance Officer in the scrutiny and monitoring arrangements for the NHS Borders Financial Improvement Plan.

The implementation of the associated Action Plan, Nos.1-3 set out within the Internal Audit Annual Assurance Report 2022/23 and Nos. 4-5 set out in the External Audit Annual Report 2021/22, to enhance the governance arrangements will be driven and monitored by the IJB Chief Officer and IJB Chief Finance Officer in order to inform the next annual review. Internal Audit work planned in 2023/24 will follow-up on progress with implementation of the Action Plan.

Conclusion and Opinion on Assurance

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

Chris Myers
IJB Chief Officer

Lucy O'Leary
Chair of the IJB

On behalf of the Members and Officers of the Scottish Borders Integrated Joint Board-

G. Independent Auditor's Report

This section to be updated following completion of the audit process in November 2023

DRAFT - UNAUDITED

H. Statement of Accounts

17. Comprehensive Income and Expenditure Statement (CIES) For the Year Ended 31 March 2023

This statement shows the cost of providing services for the year. Where the impact on the General Fund is amended by statutory adjustments, these would normally be included in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. For 2022/23, there are none.

SCOTTISH BORDERS INTEGRATION JOINT BOARD							
ANNUAL ACCOUNTS							
COMPREHENSIVE INCOME & EXPENDITURE STATEMENT							
Gross Expenditure	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure	Note
2021/22	2021/22	2021/22		2022/23	2022/23	2022/23	
£'000	£'000	£'000		£'000	£'000	£'000	
126,389	0	126,389	Health Services Delegated	145,821		145,821	3,4,7
64,104	0	64,104	Social Care Services Delegated	63,572		63,572	
27,451	0	27,451	Health Services Retained and Set-Aside by NHS Borders	32,358		32,358	
132	0	132	Corporate Services	295		295	
218,076	0	218,076	Cost of Services	242,045	0	242,045	
0	(234,432)	(234,432)	Taxation and Non-Specific Grant Income		(239,521)	(239,521)	5
218,076	(234,432)	(16,356)	(Surplus) or Deficit on Provision of Services	242,045	(239,521)	2,524	
		(16,356)	Total Comprehensive Income and Expenditure			2,524	

The 2022/23 Comprehensive Income and Expenditure Statement relates to the financial activity pertaining to the seventh full year of operation of the IJB.

Under the Scheme of Integration, both partners are required to fund any adverse outturn balance on delegated services. Following additional allocations by partners, the net surplus position above therefore is only generated by ring-fenced funding uncommitted at 31 March 2023:

	£'000
Additional Allocations Delegated by Partners at 31 March 2023	
NHS Borders	3,521
Scottish Borders Council	-
	3,521

This includes a breakeven position for Set-Aside functions. The impact of an underlying over-spend of **£3.521m** on Set-Aside has been accounted for only in NHS Borders' 2022/23 outturn. This means there is no adverse impact on the IJB outturn or on earmarked reserves carried forward to 2022/23.

The deficit of income over expenditure of **£2.524m** reflects the movement in earmarked reserves and is not in itself indicative of financial performance. These unspent allocations are held in reserves to

match future expenditure requirements.

18. Movement in Reserves

The IJB approved its Reserves Policy initially in 2016/17, and updated it during 2022/23.

The policy was applied in order that the IJB may carry forward funding. This related to ring-fenced funding allocations (ear-marked funds) to NHS Borders, including uncommitted Covid-19 funding allocations.

No statutory adjustments have been made in respect of any absence entitlement on the part of the Chief Officer which has been earned but not yet taken as at 31 March 2023.

Table to be inserted

The overall balance held in IJB reserves has reduced by **£8.773m** at March 2023. This is due to the unused Covid-19 reserves of **£8.901m** being returned to Scottish Government during 2022/23. Spend through the Covid-19 reserve totalled **£2.147m**.

The remainder of the reserves are ring-fenced allocations for which delivery is phased over more than one year. The most significant service areas are Mental Health at £2.0m, and Primary Care at £1.5m.

19. Balance Sheet at 31 March 2023

The Balance Sheet shows the value of the IJB's assets and liabilities as at the year end 31 March 2023. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

BALANCE SHEET					
31 March 2022 £'000			31 March 2023 £'000		Note
29,165		Short-Term Debtors	11,346		6
	29,165	Current Assets		11,346	
(2,570)		Short-Term Creditors	(2,573)		6
	(2,570)	Current Liabilities		(2,573)	
0		Provisions	0		
	0	Long-Term Liabilities		0	
	26,595	Net Assets		8,773	
	26,596	Useable Reserve: General Fund		8,773	
	0	Useable Reserve: Employee Statutory Adjustment Account		0	
	26,596	Total Reserves		8,773	

The unaudited accounts were issued for public consultation on 19 June 2023 and the audited accounts were authorised for issue on 15 November 2023.

Hazel Robertson CPFA
Chief Financial Officer IJB
(Section 95 Officer)

I. Notes to the Annual Accounts

20. Significant Accounting Policies

21. General Principles

The Annual Accounts summarise the Integration Joint Board's transactions for 2022/23 and its position at the year-end of 31 March 2023.

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

It is therefore required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires these to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

21.1. Accruals of Income and Expenditure

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

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

21.2. Funding

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

21.3. Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to / from each funding partner, as at 31 March 2023, is represented as a debtor or creditor on the IJB's Balance Sheet.

21.4. Employee Benefits

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

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

21.5. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

No provisions or contingent liabilities or assets have been made at 31 March 2023.

21.6. Reserves

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

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March 2023 shows the extent of resources which the IJB can use in later years to support service provision.

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by legislation. It defers the charge to the General Fund for the Chief Officer's absence entitlement as at 31 March 2023, for example any annual leave earned but not yet taken. The General Fund is only charged for this when the leave is taken, normally during the next financial year.

21.7. VAT

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

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

Relevant to the Scottish Borders, where other than the Chief Officer, the supply of these services is seen as part of the party's statutory obligation/contribution to the IJB and therefore the local authority and health board have not recharged for any costs incurred, HMRC's opinion is that there is no consideration and as such no supply for VAT purposes.

HMRC has issued a final view that the secondment of the Chief Officer is outside the scope of VAT as the provision of a Chief Officer by a HB and/or LA to the IJB is done under a special legal regime. Therefore the local authority and health board should not be charging VAT to the other party on this supply as it outside the scope of VAT.

21.8. Events after the Reporting Period / Balance Sheet Date

The unaudited Annual Accounts were authorised for issue by the IJB Audit Committee on 19 June 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2023, the figures in the financial statements and notes would normally be adjusted in all material respects to reflect the impact of this information. There are no identified events after the reporting period to 31 March 2022.

21.9. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the funding available to the IJB in the form of funding partner contributions has been used in providing services. This is compared to the cost of services on an accounting basis.

SCOTTISH BORDERS INTEGRATION JOINT BOARD						
ANNUAL ACCOUNTS						
NOTE 3 - EXPENDITURE & FUNDING ANALYSIS						
2021/22				2022/23		
Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000
23,257	0	23,257	Joint Learning Disability Service	25,879	0	25,879
21,280	0	21,280	Joint Mental Health Service	22,841	0	22,841
920	0	920	Joint Alcohol and Drug Service	1,038	0	1,038
25,245	0	25,245	Older People Service	30,101	0	30,101
2,573	0	2,573	Physical Disability Service	2,586	0	2,586
23,552	0	23,552	Prescribing	25,263	0	25,263
88,876	0	88,876	Generic Services	104,428	0	104,428
56	0	56	Older Peoples Change Fund	0	0	0
1,876	0	1,876	Integrated Care Fund / Transformation Fund	1,980	0	1,980
27,451	0	27,451	Health Services Retained and Set-Aside by NHS Borders	29,031	0	29,031
1,514	0	1,514	Scottish and UK Government-Funded Testing Kits	2,876	0	2,876
168	0	168	Corporate Services	89	0	89
216,768	0	216,768	Cost of Services	246,112	0	246,112
(211,236)	0	(211,236)	Other Income and Expenditure		(241,573)	(241,573)
5,532	0	5,532	(Surplus) or Deficit on Provision of Services	246,112	(241,573)	4,540
		(3,742)	Opening General Fund Balance			(10,240)
		5,532	(Surplus) or Deficit in the Year			4,540
		1,790	Closing General Fund Balance			(5,700)

Table to be checked

No adjustments are required in relation to the statutory requirement to defer any charge to the General Fund for the Chief Officer's absence entitlement at 31 March 2023.

21.10. Expenditure and Income Analysis by Nature

NOTE 3 - EXPENDITURE & FUNDING ANALYSIS

2021/22				2022/23		
Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000
23,257	0	23,257	Joint Learning Disability Service	25,879	0	25,879
21,280	0	21,280	Joint Mental Health Service	22,841	0	22,841
920	0	920	Joint Alcohol and Drug Service	1,038	0	1,038
25,245	0	25,245	Older People Service	30,101	0	30,101
2,573	0	2,573	Physical Disability Service	2,586	0	2,586
23,552	0	23,552	Prescribing	25,263	0	25,263
88,876	0	88,876	Generic Services	104,428	0	104,428
56	0	56	Older Peoples Change Fund	0	0	0
1,876	0	1,876	Integrated Care Fund / Transformation Fund	8,816	0	8,816
27,451	0	27,451	Health Services Retained and Set-Aside by NHS Borders	29,031	0	29,031
1,514	0	1,514	Scottish and UK Government-Funded Testing Kits	2,876	0	2,876
168	0	168	Corporate Services	150	0	150
216,768	0	216,768	Cost of Services	253,009	0	253,009
(211,236)	0	(211,236)	Other Income and Expenditure		(241,455)	(241,455)
5,532	0	5,532	(Surplus) or Deficit on Provision of Services	253,009	(241,455)	11,554

(3,742)	Opening General Fund Balance	(10,240)
5,532	(Surplus) or Deficit in the Year	11,554
1,790	Closing General Fund Balance	1,314

Table to be checked

The Fee charged by the Independent Auditor for 2022/23 was £27,960, an increase of 12.6% from last year.

21.11. Taxation and Non-Specific Grant Income

NOTE 5 - TAXATION & NON-SPECIFIC GRANT INCOME

2021/22 £'000		2022/23 £'000
(178,487)	Funding Contribution from NHS Borders	(177,884)
(55,945)	Funding Contribution from Scottish Borders Council	(63,424)
(234,432)	Taxation and Non-Specific Grant Income	(241,308)

The funding contribution from the NHS Board shown above includes **£32.358m** in respect of Set-Aside resources relating to acute hospital and healthcare unscheduled care services. The NHS retains responsibility for managing the costs of providing the services. The IJB however is responsible for managing the consumption of these resources, through managing the demand.

21.12. Debtors and Creditors

The IJB's debtors include money owed to the partnership at 31 March 2023 and any payments made in respect of delegated functions in advance of the financial year 2022/23.

The IJB's Creditors include payments due by the partnership not yet made by the 31 March 2022 and any income it has received in advance of the financial year 2022/23.

NOTE 6 - DEBTORS & CREDITORS

DEBTORS incl. PAYMENTS IN ADVANCE

31 March 2022 £'000		31 March 2023 £'000
25,559	Funding NHS Borders	8,789
3,606	Funding Scottish Borders Council	2,558
0	Funding Non-Public Sector	0
29,165	Debtors	11,346

CREDITORS incl. INCOME IN ADVANCE

31 March 2022 £'000		31 March 2023 £'000
0	Funding NHS Borders	0
(2,570)	Funding Scottish Borders Council	(2,573)
0	Funding Non-Public Sector	0
(2,570)	Creditors	(2,573)

31 March 2022 £'000		31 March 2023 £'000
26,595	Net Debtors and Creditors	8,773

The net balance between Debtors and Creditors relates to the earmarked reserves held by the IJB.

21.13. Related Party Transactions

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

NOTE 7 - RELATED PARTIES		
NHS BORDERS		
2021/22 £'000		2022/23 £'000
(159,523)	Funding Contributions	(177,884)
0	Service Income	0
144,510	Expenditure on Services Provided	183,543
0	Key Management Personnel	92
13	Support Services	16
(15,000)	Net Transactions with NHS Borders	5,767
31 March 2022 £'000		31 March 2023 £'000
13	Debtors: Amounts Due from NHS Borders	8,789
0	Creditors: Amounts Due to NHS Borders	0
13	Net Balance with NHS Borders	8,789
SCOTTISH BORDERS COUNCIL		
2021/22 £'000		2022/23 £'000
(51,713)	Funding Contributions	(63,424)
0	Service Income	0
60,060	Expenditure on Services Provided	55,684
141	Key Management Personnel	0
14	Support Services	16
8,502	Net Transactions with Scottish Borders Council	(7,725)
31 March 2022 £'000		31 March 2023 £'000
12,952	Debtors: Amounts Due from Scottish Borders Council	2,558
(2,725)	Creditors: Amounts Due to Scottish Borders Council	(2,573)
10,227	Net Balance with Scottish Borders Council	(16)
(6,498)	Net Transactions Overall	(1,958)
10,240	Net Balances	8,773

There are no non-voting IJB members employed by the NHS Board and recharged to the IJB. The senior officers employed by SBC (none) and NHSB and recharged to the IJB are the Chief Officer and Chief Finance Officer. Details of the remuneration for specific post-holders are provided in the Remuneration Report.

22. Other Notes to the Accounts

22.1. Provisions:

There were no provision brought forward from 2021/22, nor made at 31 March 2023.

22.2. Useable Reserve: General Fund:

The IJB holds a balance on its General Fund Reserve at 31 March 2023. This balance is earmarked in that it relates to funding received from the Scottish Government ring-fenced for specific purposes such as Mental Health Service, Primary Care or Alcohol and Drugs Partnership.

The IJB has an approved Reserves Policy which enables it over time to earmark or build up funds which are to be used for specific purposes in the future such as known or predicted future expenditure needs. This supports strategic financial management. The Policy can also enable a contingency fund to be established in order to cushion the impact of unexpected events or emergencies. The IJB does not currently hold such contingency reserves.

22.3. Unusable Reserve: Employee Statutory Adjustment Account:

Only one officer, the Chief Officer, requires to be considered in relation to absence entitlement earned but not yet taken at 31 March 2023. The value of this untaken but accrued entitlement is not considered material to the overall financial position of the IJB as presented in the Comprehensive Income and Expenditure Statement.

22.4. Agency Income and Expenditure:

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

22.5. Contingent Assets and Contingent Liabilities:

No Contingent Liabilities or Contingent Assets were recognised at 31 March 2022 nor have any been identified during the year or at the year end, relating to any item not recognised on the IJB's Balance Sheet.

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**Scottish Borders Health and Social Care Partnership
Audit Committee**

19 June 2023



Scottish Borders
Health and Social Care
PARTNERSHIP

MINISTERIAL STEERING GROUP SELF-EVALUATION

Report by Chris Myers

1. PURPOSE AND SUMMARY

- 1.1. To seek the support of the IJB Audit Committee to endorse the process, findings and actions associated to the self-evaluation against the Ministerial Steering Group recommendations.

2. RECOMMENDATIONS

- 2.1. The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-
 - a) Endorse the enclosed self-assessment process
 - b) Approve the associated action plan for delivering on the proposed improvement actions for onward consideration by the Integration Joint Board, prior to submission to the Scottish Government
 - c) Instructs the Chief Officer, Chief Financial Officer, Director of Public Health, and Head of Communications and Engagement to provide an update to the IJB Audit Committee on progress against the delivery of the actions outlined in March 2024.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the proposal will impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our efficiency and effectiveness	Reducing poverty and inequalities
		X		X	

Alignment to our ways of working					
People at the heart of everything we do, and inclusive co-productive and fair	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Openness, honesty and responsibility
X	X	X	X	X	X

4. INTEGRATION JOINT BOARD DIRECTION

4.1. A Direction is not required

5. BACKGROUND

- 5.1. The Ministerial Steering Group (MSG) was established in 2008 to provide a forum in which leaders from health and social care could meet to discuss matters of mutual interest and to provide leadership, direction and support in working across organisational and structural boundaries. It assumed overall responsibility for policy matters that crossed the local government / NHS Scotland interface and is a key forum for taking forward COSLA and the Scottish Government’s joint political leadership of health and social care integration.
- 5.2. The group is chaired by the Cabinet Secretary for Health and Sport and has a membership that includes three COSLA elected members, Health Board Chairs, the Scottish Council of Voluntary Organisations (SCVO), Scottish Care, Scottish Social Services Council (SSSC), Healthcare Improvement Scotland, Integrated Joint Boards, Social Work Scotland, and more recently, the Care Inspectorate.
- 5.3. Since Health and Social Care Integration went live in April 2016, the MSG has played a key role in reviewing progress and in February 2019 they produced a report entitled “Review of Progress with Integration of Health and Social Care”. In November 2018, Audit Scotland also produced a report providing an “Update of Progress” of Health and Social Care Integration. The “Review of Progress” defined 25 detailed proposals for improvement of IJBs/Partnership working.
- 5.4. Of these, 3 of the proposals were to be taken forward by the Scottish Government, with the remaining 22 to be taken forward by the individual Health and Social Care Partnerships. The MSG requested that each Partnership undertake a self-assessment against the 22 proposals, on an ongoing basis. The Scottish Borders HSCP self-evaluation against the 22 proposals was last submitted to Government in June 2020.
- 5.5. At the end of 2022, the Improvement Service was commissioned to undertake a new self-assessment process on behalf of the IJB. Following a planning process, the Improvement Service sent out a self-assessment to IJB members in March 2023, asking them to agree or disagree with statements outlining the potential effectiveness of the IJB against the 22 proposals. The results are summarised in the table below.

Theme	Agree/Strongly Agree	Disagree/Strongly Disagree	Don't Know
IJB Response to COVID-19	73%	17%	10%
Leadership and Relationships	63%	24%	13%
Governance and Accountability	50%	39%	11%
Community Engagement and Participation	70%	27%	3%
Outcomes and Impact	37%	46%	17%
Performance Management and Use of Evidence	51%	38%	11%

5.6. The highest rated statements are listed below:

- Statement 7 - IJB meetings take place within a positive spirit of transparency, openness and trust. (86% Agree)
- Statement 20 - Agreed priorities and outcomes in the Health and Social Care Strategic Plan reflect the key challenges of the area identified through any data analysis and community engagement activity. (86% Agree)
- Statement 5 - The IJB should look to permanently retain new ways of working developed during the response to COVID-19. (79% Agree)

5.7. The lowest rated statements were noted as:

- Statement 24 - The IJB realigns resources in order to better deliver early intervention and prevention approaches. (93% Disagree)
- Statement 16 - The IJB holds individual Board members to account for their performance and contribution to the outcomes in the Health and Social Care Strategic Plan. (57% Disagree)
- Statement 26 - The performance information considered by the IJB is timely, relevant and provides a good measure of progress towards the desired outcomes and key time specific targets. (57% Disagree)

5.8. The Improvement Service summarised the information from the self-assessment and then held a Consensus and Improvement Planning Workshop for IJB members on 19 April 2023. As part of this, the IJB reviewed the feedback from the self-assessment, reviewed the areas for improvement identified in the checklist, and then agreed priorities for further focus.

5.9. The three areas identified by IJB members were:

- Outcomes and impact: “Consider how the IJB can further align resources to facilitate the desired shift to early intervention and prevention.”
- Governance and accountability: “Clarify the roles and responsibilities of IJB members to ensure they are clear on what is expected of them”.
- Community engagement and participation “Reflect upon the IJB’s current mechanisms for engaging with service users and the wider public to more effectively seek their views.” Despite good progress in this area noted by IJB members, it was felt that this must continue to be an ongoing priority.

5.10. Action plans were developed for each of these three areas, and these are enclosed in Appendix 1.

6. IMPACTS

Community Health and Wellbeing Outcomes

6.1. It is expected that the proposal will impact on the National Health and Wellbeing Outcomes below:

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	No impact
2	People, including those with disabilities or long term conditions, or who are frail,	No impact

	are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	Increase
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	No impact
5	Health and social care services contribute to reducing health inequalities.	Increase
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	No impact
7	People who use health and social care services are safe from harm.	No impact
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	Increase
9	Resources are used effectively and efficiently in the provision of health and social care services.	Increase

Financial impacts

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

Equality, Human Rights and Fairer Scotland Duty

6.3. The IJB has a statutory obligation to eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between people who share a characteristic (age, disability, gender re-assignment, trans/transgender identity, marriage or civil partnership, pregnancy and maternity, race groups, religion or belief, sex-gender identity, and sexual orientation) and those who do not; and foster good relations between people who share a characteristic and those who do not. This involves tackling prejudice and building understanding.

6.4. Additionally, where proposals are “strategic”, the Fairer Scotland Duty requires us to show that we have actively considered how we can reduce socio-economic inequalities in the decisions that we make and to publish a short written assessment on how we have done this.

6.5. In this instance, an Integrated Impact Assessment is not required.

Legislative considerations

6.6. There are no known legislative considerations relating to this report.

Climate Change and Sustainability

6.7. There are no known climate change and sustainability impacts or considerations relating to this report.

Risk and Mitigations

6.8. No specific risks need to be raised or addressed.

7. CONSULTATION

Communities consulted

7.1. As this relates to a self-evaluation, only IJB members have been consulted to date.

Integration Joint Board Officers consulted

7.2. The IJB Board Secretary, the IJB Chief Financial Officer and the IJB Chief Officer and Corporate Communications have been consulted, and all comments received have been incorporated into the final report.

7.3. In addition, consultation has occurred with our statutory operational partners at the:

- HSCP Joint Executive

Approved by:

Chris Myers, Chief Officer

Author(s)

Chris Myers, Chief Officer

Background Papers:

Scottish Borders Health and Social Care Integration Joint Board MSG self-assessment Action Plan 2020.

Available from: <https://scottishborders.moderngov.co.uk/documents/s42389/Appendix-2020-AC3%20-%20Appendix%201%20Scottish%20Borders%20Health%20and%20Social%20Care%20Partnership%20Action%20Plan.pdf>

Scottish Borders Health and Social Care Integration Joint Board MSG self-assessment approach 2019.

Available from (Item 6e):

<https://scottishborders.moderngov.co.uk/ieListDocuments.aspx?CId=218&MId=4792&Ver=4>

Previous Minute Reference:

Minute of May 2019 IJB (Item 10) Available:

<https://scottishborders.moderngov.co.uk/documents/s36944/IJB%20Minutes%2008.05.19.pdf>

For more information on this report, contact us at Chris Myers, by email.

Scottish Borders IJB – PSIF Self-Assessment PSIF Improvement Plan – April 2023

Improvement actions	Lead	Implications [Risk, Cost, Resource]	Target Date	Measure	Outcomes
1. Consider how the IJB can further align resources to facilitate the desired shift to early intervention and prevention.					
<p>1. Map current expenditure on early intervention/ prevention and look to have discussion about increasing the proportion and ambition of IJB budget/resources/staff that can be allocated into prevention and early intervention, recognising the current financial context.</p> <p>- Seek views of Community Councils as part of mapping process.</p>	Hazel Robertson	<p>Risks if Improvement Action not Implemented</p> <ul style="list-style-type: none"> Costs will increase if we do not invest in prevention. <p>Risks</p> <ul style="list-style-type: none"> May have to deprioritise/disinvest other areas to be able to target resources to do this. Need to recognise balance needed between increasing focus on ‘upstream’ prevention with current operational responsibilities. Will not progress this area if we do not get public buy in. 	June 2023 (for mapping)	<p>Finance section of the Annual Report.</p> <p>Utilise Programme Budgeting in Marginal Analysis (PBMA) toolkit to measure impact of shift of resources on the prevention agenda.</p>	We want everyone in the Scottish Borders to live their lives to the full.
<p>2. Look to work with partners in the Community Planning Partnership (CPP) to align and push early intervention and prevention initiatives. Link to CPP theme of <i>Enjoying Good Health and Wellbeing</i>.</p>	Chris Myers and Sohail Bhatti	<ul style="list-style-type: none"> Need to recognise balance needed between increasing focus on ‘upstream’ prevention with current operational responsibilities. Will not progress this area if we do not get public buy in. 	May 2023 (update to CPP on <i>Health and Wellbeing</i>)	<p>CPP Community Plan/LOIP (CPP to consider how to appropriately measure activity)</p>	
<p>3. Develop a <i>Team Borders Approach</i> to engaging and commissioning with the Third Sector around early intervention and prevention. This should</p>	Brian Davies, Jen Holland and Hazel Robertson	<ul style="list-style-type: none"> Will not progress this area if we do not get public buy in. 	September 2023	<p>Once mapping done, take this to the IJB to show what spending budget on and make proposal about how we look at early</p>	

Improvement actions	Lead	Implications [Risk, Cost, Resource]	Target Date	Measure	Outcomes
include: - One path for commissioning to simplify process and funding streams; - Review one year funding for Third Sector to provide more security for the sector; - Look to join up IT systems where possible.		<ul style="list-style-type: none"> Age profile of those using services and age profile of the staff in HSCP getting older. 		intervention and prevention being more of a focus within current resource.	
4. Engage with Children and Young People’s Planning Partnership (CYPPP) to raise awareness around early intervention and prevention, and to advocate for this in the children’s delegated services (AHPs, Primary Care, School Nursing, Health Visiting, CAMHS and Young Carers).	Sarah Horan and Stuart Easingwood.		Ongoing	Link to the Promise and CYPPP measures from prevention perspective.	
5. Look to clarify outcomes for the five Locality Groups to improve and put in place tangible activity around areas such as early intervention and prevention (in particular for hard to reach groups). Adopt a designing with people approach, such as <i>‘Nothing for me, without me’</i> .	Stephen Fotheringham		July 2023 (Mapping for one Locality Group, then look at other 4 Locality Groups)	Annual Reporting and Pathfinder output.	

Improvement actions	Lead	Implications [Risk, Cost, Resource]	Target Date	Measure	Outcomes
6. Ensure that a Community Led Support (CLS) agenda is pursued around early intervention and prevention, that is inclusive and avoids a 'one professional lens' approach (i.e. inclusion of health, social work and social care).	Gwyneth Lennox		September 2023 (To IJB)	CLS agenda metrics reporting to IJB.	
7. Review our effectiveness and efficiency as partners. Look at how we are using services, what are we commissioning (IJB, CPP and partners). Need to ensure services are evidence-based and consider if these are the best use of resources to achieve strategic objective and outcomes.	All partners contributing.		September 2023	<ul style="list-style-type: none"> - Output around existing commissioning to IJB in September. - Local service measures providing info on number of people turning up for appointments and are they using the services we have, productivity of services, etc. - Ensure evidence-based. - Bring granular performance information to the Audit Committee of the IJB. 	
8. Consider what opportunities are available as a large employer to encourage better staff wellbeing around preventative agenda. - Wellbeing process begun	Sohail Bhatti		Ongoing through the Joint Staff Forum and Integrated Workforce	iMatter for the whole HSCP. Consider other measures to gather views of partners.	

Improvement actions	Lead	Implications [Risk, Cost, Resource]	Target Date	Measure	Outcomes
and will be rolled out in council and the college in summer. Staged roll out to other organisations later.			Planning Group.		
2. Clarify the roles and responsibilities of IJB members to ensure they are clear on what is expected of them.					
<p>1. Develop an information resource which can be used by Board members, the wider workforce and the public that clearly defines:</p> <ul style="list-style-type: none"> the roles and responsibilities of the Board; the roles and responsibilities of Board members; Board structure and processes. <p>Ensure this resource is co-produced with all Board members.</p>	Led by Chris Myers with all partners contributing, with support from Iris Bishop.	<p>Risks if Improvement Action not Implemented</p> <ul style="list-style-type: none"> IJB will continue to risk ineffective operation via lack of scrutiny. Members not able to make the best contribution they can. Risk of doing this badly perpetuates inequalities between constituencies. Ongoing confusion for people on where roles and responsibilities sit in relation to the IJB. National Care Service 	September 2023	Information resource developed. Feedback from Board members, workforce and public.	Improved clarity and transparency of roles and responsibilities of IJB members.
2. Organise face to face development session with Board members to share the resource – what it contains, etc.	Iris Bishop		October 2023	Development session held.	

Improvement actions	Lead	Implications [Risk, Cost, Resource]	Target Date	Measure	Outcomes
<p>3. As part of Communications Plan, ensure information resource is communicated to wider workforce and public. This will ensure transparency of what we are doing, who is in what role, what function they are executing in attendance at the IJB, etc.</p>	<p>Chris Myers and Clare Oliver</p>	<p>implementation may impact on this.</p> <p>Costs</p> <ul style="list-style-type: none"> • No money or staff resource currently to undertake this work. • Staff resource costs for development of information resource but also member time costs to co-produce. 	<p>October 2023</p>	<p>Feedback from workforce and public.</p>	
<p>4. Review the way minutes of meetings are written to ensure member's roles for particular papers are clearly defined.</p> <p>Also, chair to ask members to clarify in which capacity they are presenting a paper if they have more than one role on the Board.</p>	<p>Chair and Iris Bishop</p>		<p>Next meeting – May 2023</p>	<p>Board meetings are minuted reflecting member's roles for particular papers.</p>	

Improvement actions	Lead	Implications [Risk, Cost, Resource]	Target Date	Measure	Outcomes
3. Reflect upon the IJB's current mechanisms for engaging with service users and the wider public to more effectively seek their views.					
1. Ensure our Locality Working Groups (Community Integration Groups) facilitate diversity and inclusivity to ensure representation from the wider population and all stakeholder networks.	Stephen Fotheringham	<p>Risks</p> <ul style="list-style-type: none"> If actions don't work then public will not be involved. If there is a lack of oversight on activity, then could be uncoordinated approach. If resources aren't available then we will be unable to undertake quality engagement. If we don't use the equality and diversity lens then it will not be reflective of our population (Particularly action 1) <p>Costs</p> <ul style="list-style-type: none"> There will be costs to undertake engagement. 	September 2023	<ul style="list-style-type: none"> Increased numbers engaging. Equalities monitoring. User satisfaction on community engagement. Press take up and greater profile. To check – community engagement tools. Evidence of co-production through each IJB Paper. 	<p>Greater public engagement.</p> <p>Provision of the right service for the right people.</p> <p>Co-production of services.</p> <p>Longer term - Delivery of services is evident and less having to explain the detail.</p>
2. Utilise our developed Locality Working Groups (Community Integration Groups) to design our approach to engagement to ensure wider population representation.	Stephen Fotheringham		December 2023		
3. Align engagement strategies and activities across partners to ensure partnership approach.	Clare Oliver/ Laura Jones		December 2023		
4. Consider how we engage through existing groups and activity e.g. staff and their wider family network.	Clare Oliver/ Sue Bell/ Lesley Horn/ Brian Davies		September 2023		

**Scottish Borders Health and Social Care Partnership
IJB Audit Committee**

19 June 2023



Scottish Borders
Health and Social Care
PARTNERSHIP

EXTERNAL AUDIT POINTS UPDATE

Report by Hazel Robertson, Chief Financial Officer

1. PURPOSE AND SUMMARY

- 1.1. This report is to provide assurance to the Audit Committee that external audit action points are being appropriately implemented.
- 1.2. The Committee is asked to consider the report and seek clarification of any aspects.
- 1.3. This is an ambitious improvement agenda and relies on strong collaboration across the Partnership. Steady progress is being made.
- 1.4. One action is delayed – ensuring compliance with Set Aside guidance but work is in hand to progress this.
- 1.5. One recommendation has been rejected, following further discussion across the partnership, as it does not add value, and will require additional resources to implement – implementation of a separate ledger for the IJB.

2. RECOMMENDATION

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to consider the attached update and seek clarification of any aspects.**

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the proposal will impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
				x	

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working –	Delivering quality, sustainable, seamless	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness,

	Team Borders approach	services			honesty and responsibility
	x				

4. INTEGRATION JOINT BOARD DIRECTION

4.1. A Direction is not required.

5. ASSESSMENT

- 5.1. Most of these recommendations are historic, having been highlighted in successive years. Since coming into post in August 2022 I have undertaken extensive developmental work on the Financial Framework and am confident that this will place the HSCP and IJB in a better position of being able to understand the financial position and make choices about the best use of scarce resources.
- 5.2. Some of these points will be mirrored in the partners external audit points.
- 5.3. Good working arrangements are in place between the Executive Finance leads and at an operational level through the virtual HSCP finance team. The programme of work is noted below.

Creation of the Programme Budgeting and Marginal Analysis approach (PBMA), also known as Best Value for Every Pound. This approach is currently being tested in three different service areas.
Extensive review and updating of the Financial Regulations (elsewhere on agenda).
Creation of a finance risk register. This was originally planned for the IJB in March however due to the different risk scoring matrices across this partnership, further discussion is required.
Creation of a scheme of delegation / decision making. All parties are agreed this is required and will be commence development in June. Workload associated with annual accounts across the partnership has delayed commencement.
Agreement among the three finance leads to development of a 5-10 year long term strategy. This will commence in July.
Timetables and HSPC/IJB requirements are being agreed and documented. We had a plan in place for the external audit process that ensured as much synergy as possible with partner bodies.

- 5.4. The three finance leads have agreed a return to a more formal approach to enabling the IJB requirements to be met. The IJB CFO has written to the two partner bodies setting out requirements and timescales. This will include the IJB CFO becoming more involved in significant issues and decision making within partner bodies, eg Financial Recovery Plan and Savings Plans.
- 5.5. Workload for the Executive and operational teams is high however all are committed to working in partnership to support the IJB / HSPC with the information and support required. Team members are very experienced and willing to work with me to achieve good results.
- 5.6. I anticipate being able to demonstrate to external audit that extensive progress has been made.

6. OUTSTANDING ACTION POINTS

- 6.1. The attached update provides the background and current position in relation to each action point.
- 6.2. In light of the extensive improvement programme above and strong partnership working, the creation of a separate ledger for the IJB is not considered to add sufficient value to justify the

resource consequences of establishing a separate instance and would create a distracting focus on transaction processing rather than value added finance activities. The focus needs to be on strategic financial planning, financial information to support decision making, and robust financial management and control. The IJB CFO can request supplementary information as required to perform the role.

7. IMPACTS

Community Health and Wellbeing Outcomes

7.1. The table below highlights a connection with this outcomes.

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	
5	Health and social care services contribute to reducing health inequalities.	
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	
7	People who use health and social care services are safe from harm.	
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	
9	Resources are used effectively and efficiently in the provision of health and social care services.	x

Financial impacts

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

7.3. There is an opportunity to improve financial control, financial reporting and planning.

Equality, Human Rights and Fairer Scotland Duty

7.4. Equalities impacts will be assessed as part of the Financial Plan, Budget and Financial Recovery Plan.

Legislative considerations

7.5. S95 requirements provide the essential requirements in relation to financial control, management, reporting and planning. The CFO is progressing a substantial improvement programme to ensure these requirements are met.

Climate Change and Sustainability

7.6. There is no impact on climate change and sustainability.

Risk and Mitigations

7.7. There is a risk of capacity challenges for the virtual finance team given the scale of the budgetary challenge. The team works well together and I remain confident that we will work our way through any capacity issues by good communication and being clear about priorities and timescales.

8. CONSULTATION

Communities consulted

8.1. The Integration Planning and Delivery Principles are not applicable at this juncture. Consultation with groups will take place through the Financial Plan and Budget processes. Directions will be developed as required.

8.2. Development of Locality Planning and Participatory Budgeting will involve communities directly in planning and monitoring the use of resources.

Integration Joint Board Officers consulted

8.3. The IJB Chief Finance Officer is the lead on these matters and the IJB Chief Officer has been consulted.

8.4. In addition, consultation has occurred with our statutory operational partners and through the SCP Joint Executive

Approved by:

IJB Chief Finance Officer

Author(s)

IJB Chief Finance Officer

Background Papers: External Audit Action Points

Previous Minute Reference: November 2022 Annual Audit Report

For more information on this report, contact us at

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Scottish Borders IJB External Audit Action Plan

13/06/2023

Topic	Issue/Risk	Recommendation	Agreed management action/timing
<p>1. <u>Annual accounts preparation</u></p> <p>The unaudited annual accounts for the IJB were not prepared and available for inspection at the start of July, as required by the Local Authority Accounts (Scotland) Regulations 2014. This was partly due to the new Chief Financial Officer (CFO) not being in post until the start of August 2022.</p>	<p>There is a risk that the IJB does not comply with the regulations and that accounts are not available for adequate scrutiny by the public.</p>	<p>The IJB should ensure that arrangements are in place for its annual accounts to be prepared and made available for inspection in line with the requirements of the Local Authority Accounts (Scotland) Regulations 2014.</p>	<p>The appointment of a permanent CFO provides the capacity and capability to achieve this statutory requirement.</p> <p>Responsible officer: CFO Agreed date: end June 2023 then end November 2023</p> <hr/> <p><u>Current status and timescale</u></p> <p><i>Finance staff across the Partnership have worked well to meet Audit deadlines, workload was higher than anticipated to respond to audit queries.</i></p>
<p>2. <u>Financial sustainability</u></p> <p>The most recent financial monitoring report for the IJB up to September 2022 is forecasting an overspend of £6.7 million against the budget, due to costs of Covid-19 and undelivered savings.</p>	<p>There is a risk that the IJB is not able to budget and manage expenditure effectively if full savings plans are not in place.</p>	<p>The IJB should continue to work with partner organisations to ensure savings plans are identified and ensure the partnership is able to move into a position of financial sustainability.</p>	<p>The Financial Plan is about more than savings, it is being able to respond to and support/invest in strategic priorities. The new Financial Framework will support short and long-term planning, best practice regulations, PBMA approach has been approved which will enable prioritisation of financial plans to drive best value. PBMA tool is currently being piloted. The CFO will become more involved in the NHS B savings approach, providing strategic support and challenge to the plans being made. Reserves Policy has been approved. Regulations updated and will be taken to Committee once the changes have been discussed at the NHSB Audit Committee. Finance strategic risk register being prepared.</p> <p>Responsible officer: CFO /DOF NHSB Agreed date: Initial Financial Plan and Budget will be signed off before 31 March. Not fully met – will be end June 2023 Financial Framework, including Plan, Budget, Financial Risk Register and Regulations, will be signed off end June 2023, subject to NHSB approvals process for Plan and Recovery</p>

Topic	Issue/Risk	Recommendation	Agreed management action/timing
			Plan. Mostly achieved. <hr/> <i>Current status and timescale</i> <i>On track.</i> Addition of Financial Recovery plan, still to be completed.
<p>3. <u>Hospital Acute Services (Set Aside)</u></p> <p>As reported in the previous four years, arrangements for the sum set aside for hospital acute services under the control of the IJB are not yet operating as required by legislation and statutory guidance. A notional budget has been agreed and included in the annual accounts. This was a transitional arrangement for 2016/17 that was agreed by the Scottish Government to continue into 2020/21. In 2019/20 management agreed that the Set Aside group would be re-formed with representatives from the Senior Management of the IJB and NHSB however this has not happened.</p>	<p>Risk – the sum set aside in the annual accounts is not being managed by the IJB as expected by the legislation.</p>	<p>The IJB and NHSB should prioritise establishing revised processes for planning and performance management of set aside hospital functions and associated resources in 2021/22.</p>	<p>The revised approach will be signed off for the new financial year. Guidance shared with Acute Services Deputy Director of Finance.</p> <p>Responsible officer: CFO Agreed date: meeting to be held before end March 2023</p> <p>Delayed</p> <hr/> <i>Current position and timescale:</i> Initial discussions held. Have formally written to NHSB Director of Finance to highlight lack of compliance with national guidance. Also shared requirements with NHSB Executive staff. <p>To agree for by end March 2023 if possible. Date not achieved, now targeting end June.</p>
<p>4. <u>Financial Sustainability</u></p> <p>The 2021/22 budget for the IJB was agreed in March 2021, however this included the need for an additional £7.4 million in savings which had yet to be identified. The most recent financial monitoring report for the IJB to June 2021 is forecasting an overspend of</p>	<p>The IJB should continue to work with partner organisations to ensure savings plans are in place to support the budget for the year.</p>	<p>The delivery of savings is only one part of the financial plan, which also needs to respond to strategic priorities. A new financial approach has been approved by the SPG and the Financial Plan for next year will</p>	<p>See above re action 2</p> <hr/> <i>Current position and timescale:</i> CFO has joined the NHS Financial Improvement Board; PBMA offers possibility for future, starting to test PBMA with three very different areas.

Topic	Issue/Risk	Recommendation	Agreed management action/timing
£6.0m against the original budget, which includes additional costs of Covid-19. Risk – there is a risk that the IJB is not able to budget and manage expenditure effectively if full savings plans are not in place		reflect this. See point 2 above	
5. <u>CFO</u>			<i>Action closed</i>
6. <u>Financial Ledger</u>			<i>Action rejected and closed</i>
7. Governance – Ministerial Self Evaluation In March 2019 the Ministerial Strategic Group for Health and Community Care (MSG) issued a self-evaluation template as part of an evaluation of progress with the integration of health and social care. The IJB evaluated itself as being not yet established in one area, partly established in 15 areas, established in 6 areas and exemplary in no areas. An action plan has been put in place and was presented to the March 2020 audit committee. There has been no further update presented to the committee since the initial action plan was presented.	Risk – There is a risk that health and social care are not fully integrated and this could lead to the IJB operating in an ineffective manner.	Progress on the implementation of the self-evaluation action plan should be reported periodically to the audit committee to ensure effective scrutiny of the progress the IJB is making.	<p><i>Current position and timescale:</i></p> <p>The Improvement Service were commissioned to facilitate an updated assessment. Self Assessment workshop and action plan are complete.</p> <p><i>Action closed</i></p>

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**Scottish Borders Health and Social Care Partnership
Integration Joint Board Audit Committee**

19 June 2023

Directions Tracker

Report by Hazel Robertson, Chief Finance Officer, HSCP and IJB



1. PURPOSE AND SUMMARY

1.1. To provide an overview of the implementation of approved directions.

Progress is being made in relation to the implementation of approved directions.

The PCIP direction is proving difficult to conclude because of a lack of clarity of Scottish Government funding. A paper will be coming to the IJB at its next meeting to propose the way forward.

The Financial Recovery Plan is challenging and will span several years.

Development of business cases are taking longer, largely as a result of the engagement processes. This extensive approach will provide for better outcomes.

A new RAG status feature has been added to the Tracker. Audit Committee members views on this would be helpful to receive.

2. RECOMMENDATIONS

2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**

- a) Approve the addition of a RAG feature to the Tracker, particularly focussing on whether the recommended action section makes sense and is helpful to guide members in their review of the status of Directions.
- b) Note the contents of the Directions Tracker, particularly noting the ongoing challenging status of two Directions, and the intention to report on this to the IJB.

PCIP (implementation of GP contract)
Financial Recovery Plan (ideas being generated but the scale of the challenge is very significant).

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

3.1. It is expected that the proposal will impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention	Supporting unpaid carers	Improving our effectiveness and thinking	Reducing poverty and inequalities

		and prevention		differently to meet need with less	
x	x		x	x	

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
	x	x			x

4. INTEGRATION JOINT BOARD DIRECTION

4.1. A Direction is not required.

5. BACKGROUND

5.1. This is a monitoring report to support the smooth working of the IJB, and implementation of our strategic priorities.

6. IMPACTS

Community Health and Wellbeing Outcomes

6.1. The intention of this report is to provide a focus for improve ment of health services therefore should indirectly impact on the National Health and Wellbeing Outcomes below:

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	Increase
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	Increase
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	Increase
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	Increase
5	Health and social care services contribute to reducing health inequalities.	Increase
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	Increase
7	People who use health and social care services are safe from harm.	Increase
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	Increase
9	Resources are used effectively and efficiently in the provision of health and social care services.	Increase

Financial impacts

- 6.2. There are no costs directly associated with this report. Indicative costs to implement directions are highlighted where known. The Strategic Plan and Financial Plan directions set out the overall expected costs for the IJB. The development of the Financial Recovery Plan is flagged as a red risk due to the scale of the challenge. This will be a longer term document.

Equality, Human Rights and Fairer Scotland Duty

- 6.3. An assessment against these duties is not required as this is a summary report and IIAs will be conducted as required for each item.

Legislative considerations

- 6.4. None

Climate Change and Sustainability

- 6.5. None.

Risk and Mitigations

- 6.6. Two Directions are marked as high risk. Details provided above.

7. CONSULTATION

Communities consulted

- 7.1. Not relevant.

Integration Joint Board Officers consulted

- 7.2. Not relevant.

Approved by:

Hazel Robertson, Chief Finance Officer

Author(s)

Hazel Robertson, Chief Finance Officer

Background Papers Directions Tracker

Previous Minute Reference: not applicable

For more information on this report, contact us at

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Ref	Date	Service	Purpose	Direction	Value £000s	Outcomes	June-23
SBIJB-020322-1	02/02/22	Millar House	Commissioning	Commissioning the Millar House Integrated Community Rehabilitation Service	£256k R	quality of care, LOS, costs	Update requested
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	£1,643k	savings target £350,000. All nine health and well being outcomes	Complete and replaced with another direction
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	NR £150k	Savings will be identified to CFO. Review of service after two cycles	No update for this iteration
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		To live within budget, will be active until end March	Working on Financial Recovery Plan Savings slow YTD

Ref	Date	Service	Purpose	Direction	Value £000s	Outcomes	June-23
SBIJB-151221-3	21/09/22	Care Home Hawick update	Development of FBC	Hawick Outline Business Case		present business case	Replaced – delete for next report
SBIJB-150622-5	16/06/22	Health Board Oral Services	Development of plan	To provide support for the production of an Oral Health Plan	As per Sol	Focussed on planning principles, health improvement plan, and be financially sustainable	No specific issues to report
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	£300k	Benefits tracker now established	Small patient numbers to date but a spread plan is in place
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	expected that costs will reduce	To review by SPG before IJB in December	Meeting agreed the parameters of the proposal. Ongoing
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		To conclude by 31 March 2023. Review by SPG before IJB	Only one tender received. After discussion agreed to delay for 9 months

Ref	Date	Service	Purpose	Direction	Value £000s	Outcomes	Jun-23
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.	£1.523k NR and £2.313k rec	Implementation of GP contract	"bundle" proposal being developed for presentation to NHS Board and IJB.
SBIJB-010223-1	01/02/23	Care home and extra care housing, LF	Scoping of the associated integrated service models of delivery	Scoping of the associated integrated service models of delivery and associated revenue costs for the Full Business Cases for the Hawick and Tweedbank Care Villages		Business case	Nothing specific to report
SBIJB-17052023-01	17/05/23	Day Services	Review need and establish day cases across the Region	Implement the Teviot business case and progress to other localities day cases	Budget to be confirmed by July 23	Business cases	Nothing specific to report
SBIJB-170523-2	17/5/23	Community Integration Groups	Establish pathfinder in Eildon	Establishment of the Eildon Community Integration Group pathfinder Develop the IIA Establish membership Explore synergies with Area Partnerships	Review status at IJB by September 2023	Establishment of pathfinder	Nothing specific to report
SBIJB-170523-3	17/5/23	Adult Social Care	Implementation of a night support pathfinder in the Duns area	Appropriate supports (e.g. Assistive Technology / Technology Enabled Care / on-call) and reassurance will be provided, - Appropriate continued mitigation to concerns is provided and; - The IIA will be updated in a dynamic way	Significant possible option to reinvest circa £450k annually		Nothing specific to report

Ref	Date	Service	Purpose	Direction	Value £000s	Outcomes	Jun-23
SBIJB-170523-4	17/3/23	Hawick and Tweedbank Care Villages	Update of the assumptions	Scoping of the associated integrated service models of delivery and associated revenue costs for the Full Business Cases for the Hawick and Tweedbank Care Villages	All cost will be reviewed by the IJB for approval		Scheduled for review by IJB Audit committee in August 2023

Directions Tracker
Key

Grading	Nature of status	Audit Committee action
	On track to achieve outcomes and broadly on track timewise No material concerns regarding finance	Nothing to escalate to IJB or to partner bodies Note the position
	Either / and Some time delay but tolerable Moderate risk to outcomes Moderate risk to costs	Set a timescale for this being addressed Consider whether to request further information / specific report on how this can be moved closer to the parameters set out in the Direction Consider the requirement to report to IJB
	Either / and Significant time delay but tolerable Moderate risk to outcomes Moderate risk to costs	Request a detailed report on how this can be moved closer to the parameters set out in the Direction Request a timeline for specific and detailed report to the Audit Committee setting out current position, any mitigations, and risks. Consider this is now too high risk and not likely to result in the outcomes intended, within a reasonable timescale and cost. Report all red Directions to the IJB and to Partner Bodies with a recommendation?
	Replaced / superceded / complete	Remove from next report

**Scottish Borders Health and Social Care Partnership
Integration Joint Board Audit Committee**

19 June 2023

Audit Scotland Report

Report by Hazel Robertson, Chief Finance Officer, HSCP and IJB



1. PURPOSE AND SUMMARY

- 1.1. To provide report from Audit Scotland for information – Local Government in Scotland: Overview.

Publication: Local Government in Scotland 2023

Date: May 17, 2023 by Accounts Commission

- Adult social care. There are signs that the sector is in crisis, with growing backlogs, declining satisfaction and no clear picture of demand or unmet need.
- Our population is also getting older. Life expectancy and healthy life expectancy are falling.
- Pressures are deepening after the Covid-19 pandemic rather than easing.
- Finances - Costs are going up and the amount of money councils receive to run services is set to get less.
- Local needs. Changing demographics, the pandemic and the cost-of-living crisis increase pressure on council services at a time when councils have less capacity to support them.
- Workforce. Councils are finding it difficult to recruit the staff they need to run some services, in particular social care. There are also high sickness absence levels.
- Councils need to work with local people and be open about the need for change. This will affect the way services are provided in the future. Communities must be involved in these conversation and work with councils to make difficult choices about the future of their local services.

The report has some content that is of interest to the IJB.

The report is available online as below

[Local government in Scotland: Overview 2023 | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/local-government-in-scotland/overview-2023)

2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**

- a) Note the Local Government 2023 Accounts Commission Report.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the proposal will impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
x	x			x	x

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
x	x	x			

4. INTEGRATION JOINT BOARD DIRECTION

4.1. A Direction is not required.

5. BACKGROUND

5.1. This report is the annual overview of Local Government in Scotland, published by the Accounts Commission. It presents recommendations for the Scottish Government and the sector.

6. RECOMMENDATIONS FOR GOVERNMENT, COMMUNITIES AND THE SERVICE

6.1. Communities need to get involved

6.2. Councils need to work with local people and be open about the need for change. This will affect the way services are provided in the future.

6.3. Communities must be involved in these conversation and work with councils to make difficult choices about the future of their local services.

6.4. Action is needed now

- Councils need to radically rethink how they can work together, and with local partners, to provide services and meet wider ambitions to tackle climate change, child poverty and inequalities.
- This could mean councils working together to provide services.
- Councils also need to better understand the experience of service users, and work with communities to redesign services.
- Councils need to build on the many innovative ways of working seen during the pandemic. To deliver sustainable services, councils need:
 - flexible funding and resources
 - driven leadership
 - greater collaboration
 - a resilient workforce

a focus on community needs and inequalities

- o support improvement, the Accounts Commission have developed two supplements for councils:
 - a collection of case studies to illustrate issues and practice across councils
 - a checklist with questions for elected members, to help in their scrutiny and decision-making roles and in their work with council executives.

7. IMPACTS

Community Health and Wellbeing Outcomes

7.1. The intention of this report is to provide a focus for improve ment of health services therefore should indirectly impact on the National Health and Wellbeing Outcomes below:

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	Increase
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	Increase
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	Increase
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	Increase
5	Health and social care services contribute to reducing health inequalities.	Increase
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	Increase
7	People who use health and social care services are safe from harm.	Increase
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	Increase
9	Resources are used effectively and efficiently in the provision of health and social care services.	Increase

Financial impacts

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

Equality, Human Rights and Fairer Scotland Duty

7.3. An assessment against these duties is not required as this is a national overview report.

Legislative considerations

7.4. None

Climate Change and Sustainability

7.5. None.

Risk and Mitigations

7.6. No specific risks as this is a national overview,

8. CONSULTATION

Communities consulted

8.1. Not relevant.

Integration Joint Board Officers consulted

8.2. Not relevant.

Approved by:

Hazel Robertson, Chief Finance Officer

Author(s)

Hazel Robertson, Chief Finance Officer

Background Papers

[Local government in Scotland: Overview 2023 \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/local-government-in-scotland-overview-2023)

Previous Minute Reference: not applicable

For more information on this report, contact us at

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