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Final Internal Audit Annual Report 2016/17
to
Interim Chief Officer and Interim Chief Financial Officer
on
Scottish Borders Health and Social Care Integration

18 May 2017

1 Background and Introduction

The case for changing the way health and social care services are delivered in the Scottish Borders is convincing. There are a growing number of people needing services, at a time of limited resources with which to deliver them.

In order that services both meet the expectations and needs of service users and are sustainable these services must be provided more effectively and efficiently in future.

The Scottish Government consider that services will be effectively and efficiently delivered if they are integrated - that is through Scottish Borders Council and NHS Borders working together more closely.

The Public Bodies (Joint Working) (Scotland) Bill was passed by the Scottish Parliament on 25 February 2014 establishing the framework for the integration of health and social care in Scotland. Under the framework the Integration Joint Board (IJB) was established which via the process of delegation from the Health Board and Local Authority and its Chief Officer, has responsibility for the planning, resourcing and operational delivery of all integrated services which have been delegated.

The Integration Joint Board gives direction and makes payment, where relevant, to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan. The Integration Scheme sets out how the managerial arrangements across the integrated arrangements flow back to the Integration Joint Board and the Chief Officer. These arrangements are further supported by the Scottish Borders Integration Joint Board Local Code of Corporate Governance.

The Scottish Borders Health and Social Care Integration Joint Board is a legal entity in its own right, created by Parliamentary Order on 6 February 2016 following Ministerial approval of an Integration Scheme which sets out the detail of the integration arrangement, as agreed by the Health Board and Local Authority. It is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities.

2 Scope

We summarise below the work we have undertaken to obtain assurances over the arrangements in place for each area considered and our conclusions on the effectiveness and appropriateness of these arrangements.

Corporate Governance

In considering governance of the Integration Joint Board we performed the following work:

- assess the IJB's corporate governance arrangements in place to deliver services to meet the needs of service users and the strategic priorities for health and social care integration set out in the Strategic Plan.
- attend the IJB meetings to observe planning, approval, monitoring and review activity of Scottish Borders Health and Social Care Partnership business and performance.

- consider key areas of risk for the IJB and the roles and responsibilities of Board members and officers.
- review the IJB's Local Code of Corporate Governance to ensure clarity of roles and responsibilities including, arrangements for the operation of Standing Orders, and the management of risk.

We also performed a specific review of the governance of the Integrated Care Fund which is a transitional resource, to assess the efficacy of decision-making and performance monitoring arrangements in the use of the Fund linked to strategic priorities and outcomes.

Financial Management

Our conclusion below is derived from the following audit work, carried out to determine the effectiveness of the financial management arrangements. This included:

- assess the IJB's financial governance arrangements in place to perform and account for its financial activities in an honest, legal and transparent manner in accordance with best accounting practice.
- review processes in place to ensure appropriate accountability for financial management of financial resources delegated to the partnership and to facilitate the delivery of efficient and effective services, including progress in achieving efficiencies.
- review and evaluate the key internal controls and processes within the financial arrangements and approved IJB Financial Regulations through reliance on assurance from partners' Internal Audit providers, i.e. PwC for NHS Borders and SBC Internal Audit for Scottish Borders Council.

Performance Management

Our assessment below is based the following audit work, carried out to determine the effectiveness of performance management arrangements. This included:

- assess whether there is appropriate alignment of performance measures in the IJB's Performance Management Framework to key priorities and outcomes of the Strategic Plan 2016 – 2019.
- check to ensure that baseline performance information is in place for 2015/16 to enable the evidence of improvement of health and wellbeing in the Scottish Borders through integrating health and social care services over time.

We have relied on assurance from partners' Internal Audit providers, i.e. through their planned Internal Audit work undertaken on the effectiveness of the performance monitoring and reporting controls in operation to fulfil their partners' roles and responsibilities.

3 Summary Findings and Conclusions

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.

Requirement for good governance

The Integration Joint Board is a legal entity in its own right and as a public body it should operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities.

A Code of Corporate Governance and Standing Orders were approved by the Board at its meeting of 7 March 2016. These documents encapsulate the public sector good practice principles and by following them the Board will demonstrate sound governance arrangements.

Strategic direction

The IJB is required to exercise strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for service users.

The IJB has developed and consulted upon the authority's purpose and vision. The vision, strategic objectives and outcomes are reflected in the Scottish Borders Health & Social Care Partnership's Strategic Plan 2016-2019. The strategy underpins a common vision which is understood and has been agreed by all partners.

Feedback from various consultation events and forums has influenced the objectives and priorities set out in the strategic plan in line with good practice.

The Strategic Plan should be articulated through a Commissioning and Implementation Plan which presently lacks sufficient detail to articulate objectives into action.

The lack of a detailed commissioning plan is also significant to ICF funding as under the revised ICF Governance arrangements it acts as a reference for deciding on whether to approve projects for funding. As a result a bottom-up process exists where projects chase funding and are mapped to strategic objectives rather than adopting a top-down approach where strategic objectives are considered first and then projects funded and developed which enable achievement of those objectives.

It is likely that further consultation would be beneficial in the future as services are reshaped. The partnership would benefit from establishing a clear policy on the types of issues that it will in future meaningfully consult on and when to conduct it. Similarly a clear policy on what, how and when staff and their representatives within the partner organisations are consulted would also be useful. Recommendation 1

The Commissioning and Implementation Plan is not sufficiently detailed at the present time to serve as an operational plan - broad objectives are set out with limited detail on how objectives will be achieved and who is responsible for achieving them. Recommendation 2

Improvement in outcomes for service users and Value for money

The integration of Health and Social Care is predicated upon services both meeting the expectations and needs of service users and being provided more effectively and efficiently through Scottish Borders Council and NHS Borders working together more closely. The IJB is responsible for commissioning new and reconfigured services which will satisfy these two objectives.

For the financial year 2016-17 the IJB has issued a direction to the partners to deliver business as usual – no services have been introduced, reconfigured or discontinued.

Until such time that new services are designed and introduced the outcomes for service users are unlikely to improve and tax payers/service users may not receive value for money. Recommendation 2

Effective leadership

Effective leadership is essential to the IJB in delivering its strategic objectives. Developing and maintaining shared values including leadership values for the organisation which reflect public expectations is necessary for Health and Social Care integration to succeed.

The present governance structure is composed of 12 Board members supported by an Interim Chief Officer and an Interim Chief Financial Officer. The Board meets every two months at which members of the Executive Management Team (EMT) are in attendance. EMT consists of the Chief Executives and selected senior officers from both of the partners. There is an approved constitution and standing orders and a Local Code of Corporate Governance which is based upon the CIPFA/SOLACE model.

The Board has put the framework for good governance in place, which whilst comprehensive and well considered, requires significant changes to the way that the framework is put into practice. Notable areas which require improvement are set out below.

Existing arrangements involving EMT attendance at Board meetings have the benefit of tightly integrating the providers with the IJB but also have drawbacks most notably in blurring the boundaries of responsibility. The Chief Executives of the partners for instance have a decision making role in the use of the Integrated Care Fund. Recommendation 3

Legislation envisages a commissioner and provider arrangement - the IJB Board, following consultation, sets out the strategic intent and then through directions in essence commissions services which the partners then design and deliver as the providers. The IJB monitors service delivery to confirm that the required outcomes are being realised. Organisation on these lines is mirrored in the IJB Code of Corporate Governance.

The agenda for Board meetings is set by the Secretary to the IJB by seeking items for inclusion from a wide range of individuals within the partnership.

This method to agenda setting has led to an unfocused approach to Board activity with the IJB Board being distracted at times by operational matters unrelated to their strategic role. Recommendation 3

Good governance requires that a senior officer is made ultimately responsible and accountable to the authority for all aspects of operational management. Within the context of the IJB this is the Chief Officer.

The Chief Officer's role is in this regard subject to some difficulty brought about by the way in which the IJB is structured. The Chief Officer is accountable directly to the Integration Joint Board for the preparation, implementation and reporting on the Strategic Commissioning Plan, including overseeing the operational delivery of delegated services whilst on the other hand legislation requires that the Chief Officer be an employee of one of the partners.

These legislative requirements subject the Chief Officer to potential conflicts of interest. Safeguards have been developed however by the Chief Officer to ensure that potential conflicts of interest are identified and managed.

Transparent and effective Decision Making

Decisions made by the Board should be based on comprehensive information and appropriate advice. The rationale for decisions should be clear and relevant documentation made available for public inspection except where exemption applies.

The Board is transparent about how decisions are taken and has developed and maintained open and effective mechanisms for documenting evidence for decisions although possible alternative action including doing nothing is generally not specified making the rationale behind the decision less clear.

The decision making process is supported by having good quality information and professional advice with the exception that legal and sustainability implications and risks (discussed further below) are not adequately articulated. The IJB does not appear to have made arrangements to access specialist legal advice that it might require however.

The effectiveness of the Chief Officer has been limited by an apparent reluctance of the Board to appropriately delegate responsibility to the Chief Officer. This is discussed further below. Recommendation 4

The decision making process is protracted with too many levels of authorisation required in order to make a decision. This results in slow decision making which is particularly evident in determining projects funded by the ICF. Recommendation 4

Defining responsibility and developing capacity of the Board

The roles and responsibilities of the Board were set out at various points within the Scheme of Integration. Presentation in this way does not provide Board members with sufficient clarity.

Producing self-contained Terms of Reference for the Board would help to provide clarity on their roles and responsibilities. Recommendation 5

In the month following each Board meeting development sessions have been held for Board members. These sessions did not however directly address how members can best fulfil their roles and discharge their responsibilities.

Whilst support is in place for making specific decisions the Board would benefit from more guidance and training to develop their capacity and capability. Appropriate guidance training will help Board members to better understand their role and recognise and observe the extent of their remit and that of EMT. These measures allied with more appropriate delegation of authority will assist in taking the decisions required to deliver integrated services on a timelier basis. Recommendation 5

Arrangements are also not in place for reviewing the performance of the Board as a whole and of individual members.

Developing processes for effective scrutiny

An effective scrutiny function which provides the Board with constructive challenge and enhances the partnership's performance overall is an essential component in a well-run organisation.

The IJB Audit Committee which has been constituted with terms of reference and which had its first meeting in September 2016 should provide challenge in areas within its remit.

Four of the members of the Committee as are also members of the IJB Board. The Committee is therefore not independent of the Executive which may give the impression that scrutiny is not as rigorous as it should be.

Challenging progress made with integrating service delivery does not clearly fall within the remit of the Audit Committee although its responsibility to consider the assurances on value for money service delivery might provide some basis for challenge. If this is not the case then progress will not be subject to scrutiny.

The scrutiny arrangements in place, which are based on legislative requirements, do not meet with generally accepted principles of good practice. The risks associated with possibly ineffective scrutiny have been implicitly accepted by the IJB Board.

Managing risk in decision making

It is important that the IJB has its own robust risk management arrangements in place because if objectives are defined without taking the risks into consideration, the chances are that direction will be lost should any of these risks hit home. Furthermore the ability to manage risk will help the Board act more confidently on future business decisions. Their knowledge of the risks they are facing will give them various options on how to deal with potential problems.

A Risk Management Strategy was approved by the IJB on 7th March 2016 which includes the: reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance.

Risk management is not yet embedded into the culture of the IJB and any consideration of risk is rarely documented as a consideration in Board deliberations. Recommendation 6

Reports detailing matters for decision by the Board are based upon a standard reporting template in which discussion of risks associated with options is required.

Reports for decision making do not properly identify the risks associated with the decision. Recommendation 6

Conclusion

The IJB has made substantial progress towards operating under good public sector practice governance arrangements, but having regard to the significance of matters referred to above we consider governance arrangements operating in practice to be partially effective for the IJB. Transparency has been achieved through the online publication of IJB papers and minutes.

Financial Management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

The financial statements are produced taking relevant accounting information from SBC's and NHS Borders accounting systems and consolidating the information into a single set of notional budget monitoring statements. The financial arrangements are notional as the transfer of resources by the Health Board and Local Authority to the Integration Joint Board and the allocation back from the Integration Joint Board to the Health Board and Local Authority for operational delivery does not necessitate cash transactions.

Neither of the partners is making a charge to the IJB for business support costs other than those relating to the employment costs of the Chief Officer.

The statements are approved by the IJB Chief Officer, prepared by the IJB Chief Financial Officer and have been presented to the IJB at every Board meeting for discussion. The budget monitoring statement contains detailed analysis of significant variances and highlights areas which are critical to achieving an outturn within budget.

The IJB Chief Financial Officer is reliant upon the partners providing accurate financial information to him. In order for the partners to do this they must have appropriate financial internal controls in place to ensure that;

- Financial activities and resources are correctly accounted for in accordance with best accounting practice, and
- Appropriate key internal controls and processes are in place.

For SBC:

We have reviewed the findings from internal controls reports by Internal Auditors for Scottish Borders Council conducted during 2015/16 and 2016/17 together with reports from the External Auditors for 2015/16. No matters came to our attention which indicate that significant weaknesses exist within the financial internal controls environment.

For NHS Borders:

We have reviewed the findings documented in the report by Internal Auditors for NHS Borders "Health and Social Care Integration – Review of Financial and Performance Reporting & Controls" issued in March 2017. No significant weaknesses were identified in the review.

Conclusion

Adequate financial management processes are in place. We consider that budgetary processes are sound and the control environment and internal controls are operating effectively.

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 which represents value for money.

Developing performance management arrangements

Effective performance management relies upon;

- Reliably measuring and monitoring relevant aspects of service delivery and outcomes on a timely basis in order to ascertain areas which are performing significantly better or worse than expected; and
- Taking appropriate action to secure improvement.

A Performance Management Framework is being developed but is far from complete. Performance information received by the Board has been infrequent and erratic. National “Core Suite” indicators 1-20 were received by the Board for the first time in March 2017.

Recommendation 7

Hesitancy is preventing the framework from being completed and is increasing the amount of retrospective work required to obtain baseline data. It is conceivable that some baseline data may be irretrievable. Recommendation 7

The strategic plan sets out objectives and priorities which are tailored to local needs. The Scottish Government has produced a set of indicators (see above) that will serve to show progress nationally but are less relevant to the local dimension.

Service users are entitled to receive a high quality of service and this is recognised in the strategic plan along with the need to make best use of resources so that tax payers/service users receive value for money.

No decision has been taken by the IJB in the Performance Management Framework of how the quality of services it commissions for users is to be measured nor will how the information needed to review service quality be collected. This is equally true in respect of value for money.

The capability to capture data and report it to the IJB Board in a timely and meaningful way exists within the partner organisations – the IJB is extremely reliant upon the partners to satisfy informational needs.

Scottish Borders Council’s Internal Auditors recommended in their report *Adult Social Care Services – Health and Social Care Integration* issued in March 2017 that:

“Adult Social Care should align performance monitoring to measure better its support of the Integration Joint Board’s strategic objectives”

Similarly NHS Borders’ Internal Auditors commented in their report *Health and Social Care Integration - Review of Financial and Performance Reporting & Controls* also issued in March 2017 that:

“Performance Monitoring has not been sufficiently developed” and “Responsibility for provision of information to the IJB is not sufficiently defined”

The observations above from the partners' Internal Auditors stem from the Board failing to determine what local indicators it would like to see and the data analysts who will provide the data from Scottish Borders Council and NHS Borders to the IJB waiting for instructions on what indicators to produce.

In consequence performance monitoring for the purposes of the IJB Board has not been sufficiently developed by either SBC or NHS Borders. This applies at both the strategic and operational level. Recommendation 7

The intention for 2016/17 was that the framework concentrated on performance measures set out by the Scottish Government (referred to as Level 1 and Level 2 indicators). Most of the information used to populate these measures comes from existing reporting requirements unrelated to Health and Social Care integration and are generally produced on an annual or bi-annual basis. From the Board's point of view, focus on level 1 and 2 measures are of limited use in that:

- The measures will not report recent performance;
- Not all measures will be relevant to the partnership's objectives and priorities; and
- Information regarding variations at a locality level will not be available.

The introduction of local (level 3) measures including those relating to service quality would be more relevant to the Board when monitoring progress towards achieving its objectives. Recommendation 7

Dealing with service failure

An essential element in commissioning services is determining in advance what constitutes a failing service, identifying when a service is failing and formulating what action to take in the event of failure occurring. These issues would logically form part of monitoring performance at the service level.

The IJB's Clinical and Care Governance Framework is intended to assist in identifying potential service failure on grounds of poor clinical or care practices but does not specify procedures to follow in the event of actual failure. Under the framework the IJB is given responsibilities including oversight of clinical and governance arrangements as well as receiving and reviewing clinical and care governance issues that require to be brought to its attention.

It is questionable whether the IJB should have a Clinical and Care Governance Framework of its own given its reliance upon processes operated within the partner organisations.

As providers it is the partners which are solely responsible for their own clinical governance arrangements and addressing any shortcomings in their care practices and service delivery. As such the IJB should have no direct responsibilities at all in respect of clinical and care governance. To do so might well have the effect of further blurring the responsibilities of the IJB as commissioners and the partners as providers.

Recommendation 8

For many of the areas covered by the framework the only legitimate interest that the IJB has in the partner's clinical governance is where significant existing or emerging clinical and care governance risks could seriously impact the IJB's ability to deliver the outcomes and objectives of the strategy.

Serious deficiencies in the quality of services provided should become apparent through rigorous contract/performance management at service level which is not taking place.

Appropriate actions in response to a consistent failure to achieve outcomes for both clinical and non-clinical reasons are not addressed in the framework or elsewhere and should be developed in preparation of the IJB commissioning new and reconfigured services from the partners.

Recommendation 8

Conclusion

The Performance Management Framework at present is not fully developed or complete and does not meet the needs of the Board. Existing arrangements are not an effective mechanism to monitor service delivery.

Scottish Borders Council's Internal Audit function conforms with the professional standards as set out in the Public Sector Internal Audit Standards (2013), including the production of this report to communicate the results of the reviews of the arrangements in place for each area considered.

4 Recommendations and actions

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

Priority Ratings for Recommendations

Priority 1 – 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.

Priority 2 – 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.

Priority 3 – 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.

Findings	Recommendations	Agreed management actions
1 Corporate Governance – Consultation		Priority 3
<p>Feedback from various consultation events and forums has influenced the objectives and priorities set out in the strategic plan in line with good practice.</p> <p>It is likely that further consultation would be beneficial in the future as services are reshaped. The partnership would benefit from establishing a clear policy on the types of issues that it will in future meaningfully consult on and when to conduct it. Similarly a clear policy on what, how and when staff and their representatives within partner organisations are consulted would be useful.</p>	<p>The Communications and Stakeholder Engagement Plan should be updated to provide clear guidance on the types of issues that consultation or engagement with the public and service users will take place in the future and when to conduct it. Similarly a clear policy on what, how and when staff and their representatives within the partner organisations are consulted should be developed.</p>	<p>This is being updated and will include consultation arrangements.</p> <p>Responsible Owner: Elaine Torrance, Chief Officer</p> <p>Completion Date: December 2017</p>
2 Corporate Governance – Commissioning		Priority 2
<p>The Commissioning and Implementation Plan is not sufficiently detailed at the present time to serve as an operational plan - broad objectives are set out with limited detail on how objectives will be achieved and who is responsible for achieving them.</p> <p>For the financial year 2016-17 the IJB has issued a direction to the partners to deliver business as usual – no services have been introduced, reconfigured or discontinued.</p> <p>Until such time that new services are designed and introduced the outcomes for service users are unlikely to improve and tax payers/service users may not receive value for money.</p>	<p>The Commissioning and Implementation Plan should be revised with assistance from people with experience of commissioning and provide more detail on how objectives will be achieved and who is responsible for achieving them.</p>	<p>A final draft has been completed linked to 2017-2019 Priorities. This will be presented to the IJB in June 2017.</p> <p>Responsible Owner: Elaine Torrance, Chief Officer</p> <p>Completion Date: June 2017</p>

Findings	Recommendations	Agreed management actions
3 Corporate Governance – Clarity of roles and responsibilities		Priority 1
<p>The Board meets every two months at which members of the Executive Management Team (EMT) are in attendance. EMT consists of the Chief Executives and selected senior officers from both of the partners.</p> <p>Executive Management Team (EMT) which consists of the Chief Executives and selected senior officers from both of the partners are in attendance at all IJB Board meetings the agenda for which is set by the Secretary to the IJB seeking items for inclusion from a wide range of individuals within the partnership.</p> <p>Existing arrangements involving EMT attendance at Board meetings have the benefit of tightly integrating the providers with the IJB but also have drawbacks most notably in blurring the boundaries of responsibility. The Chief Executives of the partners for instance have a decision making role in the use of the Integrated Care Fund.</p> <p>This method to agenda setting has led to an unfocused approach to Board activity with the IJB Board being distracted at times by operational matters unrelated to their strategic role.</p>	<p>The agenda for meetings of the IJB should be set by the Chief Officer of the IJB who through discussion with the Board identifies the issues that merit the attention in accordance with its remit.</p> <p>Whilst the Scottish Government's principle of Co-production requires that the use of the fund must be developed in partnership, primarily between Health and Social Care, responsibility for the fund lies with the IJB and therefore decisions over the use of funds should be taken within the IJB most sensibly by the Chief Officer under a delegated authority.</p>	<p>A process has been agreed with the new Chair of the IJB for agenda setting for the IJB.</p> <p>Complete</p> <p>It has been agreed by the IJB that resources in the ICF will be used to progress the transformation / change agenda in line with the transformation programme.</p> <p>Complete</p>

Findings	Recommendations	Agreed management actions
4 Corporate Governance – Decision making and delegation of authority		Priority 1
<p>The effectiveness of the Chief Officer has been limited by an apparent reluctance of the Board to appropriately delegate responsibility to the Chief Officer</p> <p>The decision making process is protracted with too many levels of authorisation required in order to make a decision. This results in slow decision making which is particularly evident in determining projects funded by the ICF.</p>	<p>The Board should consider delegating decision making authority to the Chief Officer on all but significant strategic matters.</p>	<p>This is a Board decision.</p>
5 Corporate Governance – Defining responsibility and developing capacity		Priority 1
<p>The roles and responsibilities of the Board were set out at various points within the Scheme of Integration. Presentation in this way does not provide Board members with sufficient clarity.</p> <p>Producing self-contained Terms of Reference for the Board would help to provide clarity on their roles and responsibilities.</p> <p>In the month following each Board meeting development sessions have been held for Board members. These sessions did not however directly address how members can best fulfil their roles and discharge their responsibilities.</p> <p>Whilst support is in place for making specific decisions the Board would benefit from more guidance and training to develop their capacity and capability. Appropriate</p>	<p>Self-contained Terms of Reference for the Board should be developed</p> <p>The Board should organise targeted guidance and training in order to develop their capacity and capability.</p>	<p>A Terms of Reference for the Board will be developed in line with the Scheme of Integration.</p> <p>Responsible Owner: Paul McMenamin, Chief Financial Officer</p> <p>Completion Date: June 2017</p> <p>The Board members' training needs and the content of development sessions will be discussed with the new Chair of the IJB taking account of the Terms of Reference for the Board as part of the Induction of new Board members.</p> <p>Responsible Owner: Elaine Torrance, Chief Officer</p> <p>Completion Date: June 2017</p>

Findings	Recommendations	Agreed management actions
<p>guidance training will help Board members to better understand their role and recognise and observe the extent of their remit and that of EMT. These measures allied with more appropriate delegation of authority will assist in taking the decisions required to deliver integrated services on a timelier basis.</p>		
6 Corporate Governance – Risk Management		Priority 2
<p>A Risk Management Strategy was approved by the IJB on 7th March 2016 which includes the: reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance.</p> <p>Risk management is not yet embedded into the culture of the IJB and any consideration of risk is rarely documented as a consideration in Board deliberations.</p> <p>Reports detailing matters for decision by the Board are based upon a standard reporting template in which discussion of risks associated with options is required.</p> <p>Reports for decision making do not properly identify the risks associated with the decision.</p>	<p>Risk should be properly considered as part of everything that the IJB does in order to fulfil its strategic plan. Considerations of risk should be properly documented.</p>	<p>A strategic risk register will be finalised and approved by the Joint Management Group.</p> <p>The section on risk for all IJB reports will be further developed, reflecting the risks and mitigations contained with the strategic risk register.</p> <p>Responsible Owner: Elaine Torrance, Chief Officer</p> <p>Completion Date: September 2017</p>

Findings	Recommendations	Agreed management actions
7 Performance Management - Framework		Priority 2
<p>A Performance Management Framework is being developed but is far from complete. Performance information received by the Board has been infrequent and erratic. National “Core Suite” indicators 1-20 were received by the Board for the first time in March 2017.</p> <p>Hesitancy is preventing the framework from being completed and is increasing the amount of retrospective work required to obtain baseline data. It is conceivable that some baseline data may be irretrievable.</p> <p>No decision has been taken by the IJB in the Performance Management Framework of how the quality of services it commissions for users is to be measured nor how the information needed to review service quality will be collected. This is equally true in respect of value for money.</p> <p>Performance monitoring for the purposes of the IJB Board has not been sufficiently developed by either SBC or NHS Borders. This applies at both the strategic and operational level.</p> <p>Local (level 3) measures including those relating to service quality which would be more relevant to the Board when monitoring progress towards achieving its objectives have not been defined.</p>	<p>The Board, with assistance from the data analysts should determine what local indicators are to be developed in order to monitor the achievement of strategic objectives.</p> <p>Indicators should be set which allow for the quality of services it commissions for users to be monitored.</p> <p>The IJB should provide clear guidance on what performance information it requires from the partners.</p>	<p>Regular performance reporting is now in place on identified Ministerial priority areas.</p> <p>Complete</p> <p>A final draft Annual Performance Report 2016/17 has been completed which is a full report on all key performance data. This will be presented to the IJB in June 2017.</p> <p>Responsible Owner: Elaine Torrance, Chief Officer</p> <p>Completion Date: June 2017</p>

Findings	Recommendations	Agreed management actions
8 Performance Management – Service Failure		Priority 2
<p>The IJB’s Clinical and Care Governance Framework is intended to assist in identifying potential service failure on grounds of poor clinical or care practices but does not specify procedures to follow in the event of actual failure. Under the framework the IJB are given responsibilities including oversight of clinical and governance arrangements as well as receiving and reviewing clinical & care governance issues that require to be brought to its attention.</p> <p>It is questionable whether the Clinical and Care Governance Framework is relevant to the needs of the IJB given its reliance upon processes operated within the partner organisations.</p> <p>As providers it is the partners which are solely responsible for their own clinical governance arrangements and addressing any shortcomings in their care practices and service delivery. As such the IJB should have no direct responsibilities at all in respect of clinical and care governance. To do so might well have the effect of further clouding the responsibilities of the IJB as commissioners and the partners as providers.</p>	<p>Consideration should be given to revising the IJB’s Clinical and Care Governance Framework to reflect better the respective responsibilities and risks.</p> <p>Rigorous contract/performance management arrangements should be developed such that serious deficiencies in the quality of services provided by either of the partners become apparent.</p> <p>The IJB Board need only receive reports concerning the partner’s clinical governance arrangements where a significant existing or emerging clinical and care governance risk could seriously impact the delivery of outcomes for services which it has commissioned.</p>	<p>Possible change to the existing framework will be considered to better reflect the responsibilities and risks.</p> <p>Responsible Owner: Elaine Torrance, Chief Officer</p> <p>Completion Date: September 2017</p>