

**IJB AUDIT COMMITTEE**  
**25 JUNE 2018****INTEGRATION JOINT BOARD LOCAL CODE OF CORPORATE GOVERNANCE****Aim**

- 1.1 The purpose of this report is to propose that the revised Local Code of Corporate Governance of the Scottish Borders Health and Social Care Integration Joint Board (IJB), that provides the framework for the governance arrangements for delivering health and social care integration in the Scottish Borders, be considered and be recommended by the IJB Audit Committee for approval by the full IJB Board.

**Background**

- 2.1 The public sector has adopted Corporate Governance principles. Fundamentally Corporate Governance is about openness, integrity and accountability. It comprises the systems and processes, and cultures and values, by which organisations are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 2.2 Scottish Borders Health and Social Care Integration Joint Board (IJB) aims to meet the highest standards of corporate governance to help ensure that it meets its objectives. The IJB operates through a governance framework for the conduct of its affairs which brings together an underlying set of legislative requirements, governance principles and management processes. The IJB's Local Code of Corporate Governance was previously approved by the IJB Board on 28 August 2017 following consideration and a recommendation of their approval by the IJB Audit Committee on 26 June 2017.
- 2.3 Authorities are urged to test their structure against the seven core principles of good governance set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government' 2016 Edition (the 2016 Framework) by:
  - Reviewing their existing governance arrangements against the Framework;
  - Developing and maintaining an up-to-date local code of governance including arrangements for ensuring its on-going application and effectiveness; and
  - Preparing a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.
- 2.4 A self-assessment of compliance with the IJB Local Code was carried out, using the conclusions and audit opinion from the IJB Internal Audit Annual Assurance Report 2017/18, to inform the draft IJB Annual Governance Statement 2017/18 by the Chief Officer prior to its inclusion within the unaudited IJB Statement of Accounts. During the 2017/18 review it was concluded that revisions are required to the IJB Local Code to ensure it reflects the changing context of the IJB.

## Summary

- 3.1 Revisions are required to the IJB Local Code of Corporate Governance (Local Code), which is attached to this report as Appendix 1, to ensure it continues to be a value-added tool for members and officers of the IJB in the conduct of its affairs.
- 3.2 The main changes to the Local Code cover:
- a) Updating existing and formalising new governance arrangements as these have been developed and implemented by the IJB during the year; and
  - b) Addressing gaps in the previous version on how the IJB demonstrates good governance in practice against each of the supporting principles that underpin the seven core principles of good governance set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government' 2016 Edition.
- 3.3 The approval by the IJB of its Local Code (as set out in Appendix 1) which reflects the seven core principles with supporting principles, each of which in turn translates into a range of specific requirements, will ensure the IJB meets best practice. Good governance will enable the IJB to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk.
- 3.4 An annual review and reporting of the IJB's governance arrangements will continue. The basis of the Annual Governance Statement will be an overview of and opinion on the IJB's arrangements contained in the approved Local Code. The Annual Governance Statement will provide assurance that internal control and governance arrangements are adequate and operating effectively in practice or, where reviews of the internal control and governance arrangements reveal gaps, it will identify planned actions that will ensure effective internal control and governance in future.
- 3.5 This process not only creates an opportunity for the IJB to set out its standard for good governance but also to ensure that its governance arrangements are seen to be sound. This is important as the governance arrangements in public services are closely scrutinised.

## Recommendation

The Health & Social Care Integration Joint Board's Audit Committee is asked to:

- (a) Recommend to the full Board that it approves the revised IJB Local Code of Corporate Governance for health and social care integration as detailed in Appendix 1 of this report; and
- (b) Agrees to the annual review of the IJB's governance arrangements and reporting of the outcome of that review in an Annual Governance Statement scrutinised by the IJB Audit Committee in advance of IJB approval.

<b>Policy/Strategy Implications</b>	Development of its own Local Code of Corporate Governance and arrangements for its annual review will enable the IJB to comply with best practice. Good governance will enable the IJB to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk.
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<b>Consultation</b>	The IJB Chief Officer and IJB Interim Chief Financial Officer have been involved in the annual review of the IJB's governance framework and the revisions to the IJB's Local Code of Corporate Governance.
<b>Risk Assessment</b>	The Local Code of Corporate Governance provides the framework for members and officers of the IJB to conduct its affairs that are based on seven principles. The review of and revisions to the Local Code of Corporate Governance will ensure that internal controls, risk management and other governance arrangements are improved through the implementation of the framework.
<b>Compliance with requirements on Equality and Diversity</b>	It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.
<b>Resource/Staffing Implications</b>	There are no direct financial implications arising from the proposals in this report. Arrangements to ensure that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively is an integral part of good corporate governance and therefore financial governance and key internal financial controls are embedded within the Local Code of Corporate Governance.

**Approved by**

<b>Name</b>	<b>Designation</b>
Rob McCulloch-Graham	Chief Officer Health and Social Care Integration

**Author(s)**

<b>Name</b>	<b>Designation</b>
Jill Stacey	Chief Internal Auditor, Scottish Borders Health and Social Care Integration Joint Board (Scottish Borders Council's Chief Officer Audit & Risk)