



**Scottish Borders Health and Social Care Integration Joint Board Local Code of Corporate Governance (approved 28 August 2017)**

**(updated May 2018)**

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.

The 7 core principles of good governance are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Authorities are urged to test their structure against these principles 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 ongoing 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 current period.

The preparation and publication of an Annual Governance Statement in accordance with the Framework fulfils the statutory requirement for the authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts. This process not only creates an opportunity for the Integration Joint Board 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.

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

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

**A1 Behaving with integrity**

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice  |
|---|--|---|
| 1 | Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation  | Reliance is placed on the values and standards set out in the codes of conduct within the employer partner organisations, as well as the organisational development plans, which incorporate “The Seven Principles of Public Life” identified by the Nolan Committee on Standards in Public Life.<br><br>Shared values are reflected in the Strategic Plan.   |
| 2 | Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles) | The Integration Joint Board has an approved Constitution, Standing Orders and Terms of Reference.<br><br>Reliance is placed on the values and standards set out in the codes of conduct within the employer partner organisations, as well as their organisational development plans.<br><br>Shared values are reflected in the Strategic Plan.   |
| 3 | Leading by example and using these standard operating principles or values as a framework for decision making and other actions  | The IJB Audit Committee remit includes promotion of the highest standards of conduct and professional behaviour.<br><br>Reliance is placed on the arrangements within the employer partner organisations for identifying, mitigating and recording conflicts of interest, hospitality and gifts.<br><br>Declarations of Interest are set out in the IJB's Standing Orders which govern the conduct of each Committee meeting. They are also a standard agenda item at all meetings of the Board.<br><br>The standard template for decision-making reports to the IJB and its Committees includes a section on implications covering Policy/Strategy, Consultation, Risk Assessment, Compliance with requirements on Equality and Diversity, and Resource/Staffing Evaluation of the implications in reports could be more consistently applied<br><br>The IJB’s Annual Governance Statement is the outcome of the annual self-evaluation of compliance. |
| 4 | Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively  | As A1.3<br><br>The role of the IJB Audit Committee is to have high-level oversight of internal control, governance and risk management. 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.<br><br>Reliance is placed on partners’ policies and processes for complaints and whistle blowing.  |

## A2 Demonstrating strong commitment to ethical values

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice   |
|---|--|--|
| 1 | Seeking to establish, monitor and maintain the organisation's ethical standards and performance  | The IJB's Annual Governance Statement is the outcome of an annual self-evaluation of compliance.   |
| 2 | Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation   | Reliance is placed on the arrangements within the partner organisations for: <ul style="list-style-type: none"> <li>• Provision of ethical awareness training</li> <li>• Appraisal processes taking account of values and ethical behaviour</li> <li>• Staff appointments policy</li> <li>• Procurement policy</li> <li>• Ethical values feature in contracts with external service providers</li> </ul> |
| 3 | Developing and maintaining robust policies and procedures  |  |
| 4 | Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation |  |

## A3 Respecting the rule of law

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice  |
|---|--|---|
| 1 | Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations   | Advice and overseeing compliance on legal matters is provided by the Chief Officer supported by Board Secretary, Chief Financial Officer, and Chief Internal Auditor as appropriate.  |
| 2 | Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements | The Scheme of Integration sets out the roles and responsibilities of statutory officers (Chief Officer, Chief Financial Officer) which are reflected within job descriptions and relevant governance documents.<br>Guidance is available. As A3.1.  |
| 3 | Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders  | The scope is set out in the Scheme of Integration in order to comply with the Public Bodies (Joint Working) (Scotland) Act 2014 which requires Health Boards and Local Authorities to integrate planning for, and delivery of, certain adult health and social care services.<br>Guidance is available on use of powers. As A3.1.   |
| 4 | Dealing with breaches of legal and regulatory provisions effectively.  | In the context of health and social care integration this is the Chief Officer; a Statutory post with a job profile.<br>Reliance is placed on the arrangements within the partner organisations for ensuring legal compliance in operation of services.<br>Advice and overseeing compliance on legal matters is provided by the Chief Officer supported by Board Secretary, Chief Financial Officer, and Chief Internal Auditor as appropriate. |
| 5 | Ensuring corruption and misuse of power are dealt with effectively   | Reliance is placed on the arrangements within the employer partner organisations for effective anti-fraud and corruption policies and procedures.   |

**B. Ensuring openness and comprehensive stakeholder engagement**

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

**B1 Openness**

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice   |
|---|--|--|
| 1 | Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness  | <p>Corporate governance is about openness, integrity and accountability and the Local Code sets out the IJB's systems and processes through which it accounts to, engages with and, where appropriate, leads its communities.</p> <p>Committee Minutes and Reports are published on modern.gov website for transparency. The IJB business is held in public unless there are good reasons for not doing so on the grounds of confidentiality.</p> <p>Reliance is placed on the arrangements within the partner organisations to ensure compliance with Data Protection and Freedom of Information legislation.</p> |
| 2 | Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided                       | As B1.1  |
| 3 | Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear | <p>There is a Calendar of dates for submitting, publishing and distributing reports to IJB Board and Committees.</p> <p>Report pro-formas set out professional advice and considerations in reaching decisions.</p> <p>Professional advice and overseeing compliance with the legal and financial framework is provided by the Chief Officer, Chief Financial Officer, Chief Internal Auditor and Secretary to the IJB as appropriate.</p>   |
| 4 | Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action   | Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plan of the Health and Social Care Partnership.  |

**B2 Engaging comprehensively with institutional stakeholders**

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice  |
|---|--|---|
| 1 | Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably | The Strategic Plan, which was developed following consultations with interested parties including members of the public (therefore highly co-produced), is currently being reviewed and updated. Locality Plans have been produced and published (October 2017) following consultation. The Communications and Engagement Plan, which sets out the key requirements for effective communications and engagement with all relevant stakeholders, requires review and update. |

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice   |
|---|--|--|
| 2 | Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively  | Scottish Borders Council and NHS Borders are partners in the Scottish Borders Health & Social Care Partnership which also involves the third sector, independent sector and user/ carer representatives. The Strategic Planning Group and the Integrated Performance Group which have representation from partners are also part of the governance arrangements. |
| 3 | Ensuring that partnerships are based on: <ul style="list-style-type: none"> <li>• trust</li> <li>• a shared commitment to change;</li> <li>• a culture that promotes and accepts challenge among partners; and that</li> <li>• the added value of partnership working is explicit</li> </ul> | As B2.2.   |

### B3 Engaging stakeholders effectively, including individual citizens and service users

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice  |
|---|---|---|
| 1 | Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service/other provision is contributing towards the achievement of intended outcomes | As B2.1.  |
| 2 | Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement   | As B2.1   |
| 3 | Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs   | As B2.1   |
| 4 | Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.   | Consultation processes seek to secure opinion which is as inclusive as possible.  |
| 5 | Taking account of the interests of future generations of tax payers and service users   | The partnership has a statutory responsibility to involve patients and members of the public in how health and social care services are designed and delivered. |

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

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

**C1 Defining outcomes**

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice  |
|---|---|---|
| 1 | Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions | The vision, strategic objectives and outcomes are reflected in the Scottish Borders Health & Social Care Partnership's Strategic Plan 2016-2019 and the associated Commissioning and Implementation Plan.<br>The Strategic Plan is currently being reviewed and updated to ensure it is based upon on-going assessment of need.<br>The Commissioning and Implementation Plan has been updated during 2017/18. |
| 2 | Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer  | As C1.1   |
| 3 | Delivering defined outcomes on a sustainable basis within the resources that will be available  | As C1.1   |
| 4 | Identifying and managing risks to the achievement of outcomes   | The Risk Management Strategy was approved by the IJB on 7 March 2016.<br>It 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.<br>The IJB Strategic Risk Register is a work in progress.   |
| 5 | Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available   | As C1.1   |

**C2 Sustainable economic, social and environmental benefits**

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice  |
|---|--|---|
| 1 | Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision  | The standard template for decision-making reports to the IJB and its Committees includes a section on implications covering Policy/Strategy, Consultation, Risk Assessment, Compliance with requirements on Equality and Diversity, and Resource/Staffing.  |
| 2 | Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints | <p>The standard template for decision-making reports to the IJB and its Committees includes a section on implications covering Policy/Strategy, Consultation, Risk Assessment, Compliance with requirements on Equality and Diversity, and Resource/Staffing.</p> <p>Potential conflicts between the IJB's intended outcomes and short-term factors such as the political cycle or financial constraints of the partner organisations are recognised as part of value for money considerations and medium term financial planning.</p> <p>Reliance is placed on the value for money arrangements within the partner organisations.</p> <p>The IJB has issued directions to the partners primarily to deliver business as usual, with the exception of a limited amount of commissioning through ICF and Social Care funding.</p> <p>As limited commissioning has taken place it follows that little in-roads has been achieved in service redesign through either disinvestment or targeted reinvestment. It is therefore unclear how value for money will be assessed in those commissioning decisions.</p> <p>The performance management framework does not contain any value for money metrics e.g. cost per case throughput. The performance management framework is being further developed over time by the Integrated Performance Group.</p> |
| 3 | Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs                        | As C2.2   |
| 4 | Ensuring fair access to services   | <p>As C2.2</p> <p>To promote fair access to services compliance with requirements on Equality and Diversity are considered during the decision making process and reliance is placed on the equality and diversity arrangements within the partner organisations.</p>   |

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

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

#### D1 Determining interventions

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice   |
|---|---|--|
| 1 | Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided                              | The standard template for decision-making reports to the IJB and its Committees include a section on implications covering Policy/Strategy, Consultation, Risk Assessment, Compliance with requirements on Equality and Diversity, and Resource/Staffing.<br><br>Officers attend IJB and its Committee meetings to advise as appropriate.<br><br>Committee reports are published on modern.gov one week in advance of meeting dates<br><br>For best value - see C2.2 above |
| 2 | Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts | The Scottish Borders Health & Social Care Partnership's Strategic Plan 2016-2019 is based on consultation. The Strategic Plan is currently being reviewed and updated and any update will be based upon further consultation.<br><br>The partnership has a statutory responsibility to involve patients and members of the public in how health and social care services are designed and delivered.   |

#### D2 Planning interventions

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice   |
|---|--|--|
| 1 | Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets      | Reporting schedule for meetings and timetable for papers.<br><br>Committee reports are published on modern.gov one week in advance of meeting dates.   |
| 2 | Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered | See D1.2   |
| 3 | Considering and monitoring risks facing each partner when working collaboratively including shared risks                                 | A risk management framework is in place but risk management is not yet embedded.   |
| 4 | Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances      | The IJB has issued directions to the partners primarily to deliver business as usual with the exception of a limited amount of commissioning through ICF and Social Care funding.<br><br>In future there will be more use of directions as service redesign and recommissioning in line with the transformation programme is progressed. |

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice   |
|---|--|--|
| 5 | Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured | Regular performance reporting is in place on identified Ministerial priority areas and other indicators which are more relevant to social care reducing the predominance of Health related indicators.<br><br>The performance management framework is being further developed over time by the Integrated Performance Group. |
| 6 | Ensuring capacity exists to generate the information required to review service quality regularly  | As D2.5  |
| 7 | Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan  | Budgets are based on existing service configuration which will not necessary align with objectives where major service reconfiguration is required.  |
| 8 | Informing by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy  | As D2.7.<br><br>Reliance is placed on the financial strategies and planning arrangements within the partner organisations.   |

### D3 Optimising achievement of intended outcomes

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice  |
|---|---|---|
| 1 | Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints  | As D2.7   |
| 2 | Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term  | Budgeting guidance and protocols take account of the budgeting processes of the partner organisations.    |
| 3 | Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage | As D2.7   |
| 4 | Ensuring the achievement of 'social value' through service planning and commissioning<br><br><i>(Social Value is technically referred to as Community Benefit in Scotland)</i>  | Reliance is placed on the arrangements for achieving community benefits within the partner organisations. |

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

The integration authority needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. The integration authority must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

**E1 Developing the entity's capacity**

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice   |
|---|---|--|
| 1 | Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness   | Reliance is placed on the operational arrangements, performance and use of assets within the partner organisations relating to the services commissioned by the IJB. |
| 2 | Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently | Reliance is placed on the arrangements for resource allocation within the partner organisations.   |
| 3 | Recognising the benefits of partnerships and collaborative working where added value can be achieved  | Scottish Borders Health & Social Care Partnership is a partnership specifically created to deliver agreed outcomes.  |
| 4 | Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources   | Reliance is placed on the arrangements for managing people within the employer partner organisations.  |

**E2 Developing the capability of the entity's leadership and other individuals**

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice   |
|---|--|--|
| 1 | Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained  | The Chair and Vice Chair of the IJB are involved in the appointment process of the Chief Officer.<br>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.   |
| 2 | Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body  | The IJB's Standing Orders were amended on 8 November 2017 to include emergency powers for urgent decision making.  |
| 3 | Ensuring clearly defined and distinctive leadership roles within a structure, whereby the chief officer leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority | The Scheme of Integration sets out the roles and responsibilities of statutory officers (Chief Officer, Chief Financial Officer) and the Board, whose standalone Terms of Reference were approved on 28 August 2017.<br>Regular meetings are held between the Chief Officer and the Chair and Vice Chair of the IJB.<br>The Chief Officer also meets regularly with the Chief Executives of the partner organisations. |

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice   |
|---|---|--|
| 4 | Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks. | IJB Development Sessions have been held for Board members during the year relevant to their role.<br>An Induction process is in place for any new Non-Executive Directors of NHS Borders and SBC Councillors appointed to the IJB Board. |
| 5 | Ensuring that there are structures in place to encourage public participation   | The partnership has a statutory responsibility to involve patients and members of the public in how health and social care services are designed and delivered.  |
| 6 | Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections   | Feedback from inspection reports have been presented to the IJB who have supported the improvement actions set out by Management.  |
| 7 | Holding staff to account through regular performance reviews which take account of training or development needs  | Reliance is placed on the arrangements for managing people within the employer partner organisations.  |
| 8 | Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing   | Reliance is placed on the arrangements for managing people within the employer partner organisations.  |

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

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

### F1 Managing risk

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice   |
|---|---|--|
| 1 | Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making | The Risk Management Strategy was approved by the IJB on 7 March 2016.<br>It 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.<br><br>The IJB Strategic Risk Register is a work in progress, and the arrangements for managing strategic IJB risks are not yet fully embedded. |
| 2 | Implementing robust and integrated risk management arrangements and ensuring that they are working effectively                  | As F1.1  |
| 3 | Ensuring that responsibilities for managing individual risks are clearly allocated  | As F1.1.   |

### F2 Managing performance

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice  |
|---|---|---|
| 1 | Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review   | The Performance Management Framework exists but is not fully developed or complete. Development is ongoing.<br>Regular performance reporting is in place on identified Ministerial priority areas and other indicators which are more relevant to social care reducing the predominance of Health related indicators. |
| 2 | Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook | The standard template for decision-making reports to the IJB and its Committees include a section on implications covering Policy/Strategy, Consultation, Risk Assessment, Compliance with requirements on Equality and Diversity, and Resource/Staffing.   |

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice  |
|---|--|---|
| 3 | <p>Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system)</p> <p>Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</p> <p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p> | As F2.1   |
| 4 | Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement   | As F2.1   |
| 5 | Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)   | <p>Reliance is placed on Financial standards and guidance within the partner organisations.</p> <p>There are IJB Financial Regulations and Standing Orders.</p> <p>Arrangements are in place for the External Audit of IJB annual financial statements.</p> |

### F3 Robust internal control

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice   |
|---|---|--|
| 1 | Aligning the risk management strategy and policies on internal control with achieving objectives  | The Risk Management Strategy was approved by the IJB on 7 March 2016, though these arrangements are not yet fully embedded. The IJB Strategic Risk Register is work in progress. |
| 2 | Evaluating and monitoring risk management and internal control on a regular basis   | As F3.1  |
| 3 | Ensuring effective counter fraud and anti-corruption arrangements are in place  | Reliance is placed on counter fraud and anti-corruption arrangements within the partner organisations.   |
| 4 | Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor   | Internal Audit service is provided by Scottish Borders Council's Internal Audit team. Effective liaison with NHS Borders Internal Audit service providers.                       |
| 5 | <p>Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> <li>provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>that its recommendations are listened to and acted upon</li> </ul> | 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.                                   |

**F4 Managing data**

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice   |
|---|--|--|
| 1 | Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data | Reliance is placed on the arrangements for managing data within the partner organisations. |
| 2 | Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies   |  |
| 3 | Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring                                   |  |

**F5 Strong public financial management**

|   | Behaviours and actions that demonstrate good governance  | Demonstration of good governance in practice  |
|---|--|---|
| 1 | Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance                     | Financial management extends only to the short term. In February 2017 proposals made to extend financial management planning horizon to three years were noted and the policy outlining the arrangements for the maintenance of IJB reserves was approved by the Board.<br><br>Reliance is placed on the budget setting and monitoring arrangements within the partner organisations. |
| 2 | Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls | There is a budget monitoring process and regular reporting to IJB Board.  |

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

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

### G1 Implementing good practice in transparency

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice   |
|---|---|--|
| 1 | Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate   | There is a standard template for decision-making reports to the IJB and its Committees.<br>Reports are available for transparency on the modern.gov website. |
| 2 | Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand | As G1.1  |

### G2 Implementing good practices in reporting

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice  |
|---|---|---|
| 1 | Reporting at least annually on performance, value for money and the stewardship of its resources  | An Annual Performance Report is presented to the IJB Board and then published.<br>The Annual Accounts and Report that sets out the financial position is produced in accordance with accounting regulations and is presented in draft and then final after the External Audit process to the IJB Audit Committee and then to the IJB Board. |
| 2 | Ensuring members and senior management own the results  | The IJB has approved the statutory roles of Chief Officer and Chief Financial Officer.  |
| 3 | Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement) | The Annual Review of the Framework is reported in the IJB's Annual Governance Statement.  |
| 4 | Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate  | Reliance is placed on the governance arrangements within the partner organisations.   |
| 5 | Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations  | As G2.1   |

**G3 Assurance and effective accountability**

|   | Behaviours and actions that demonstrate good governance   | Demonstration of good governance in practice   |
|---|---|--|
| 1 | Ensuring that recommendations for corrective action made by external audit are acted upon.  | The Accounts Commission appoints the External Auditors of the IJB on a 5-year appointment: Audit Scotland from 2016/17 – 2020/21.<br><br>Any recommendations made by External Audit are acted upon.  |
| 2 | Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon | The Board appointed Scottish Borders Council's Chief Officer Audit and Risk as Chief Internal Auditor for the Integration Joint Board on 1 February 2016 with agreement that the Internal Audit service for the IJB is provided by the Council's Internal Audit team.<br><br>Compliance with CIPFA's Statement on the Role of the Head of Internal Audit (2010).<br><br>Compliance with Public Sector Internal Audit Standards (2017).<br><br>Any recommendations made by Internal Audit are acted upon.   |
| 3 | Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations   | Any recommendations made by Regulatory Bodies or Inspection Agencies are acted upon.   |
| 4 | Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement  | The approved IJB Risk Management Strategy 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. These arrangements are not yet fully embedded, and the IJB Strategic Risk Register is a work in progress.<br><br>The IJB Annual Governance Statement is included within its Statutory Accounts.  |
| 5 | Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met                        | The Scottish Borders Health & Social Care Partnership involves partners from Scottish Borders Council, NHS Borders, the third sector, the independent sector and user/carer representatives.<br><br>The IJB is made up of voting members from Scottish Borders Council and NHS Borders (Elected Members and Non-Executive Directors respectively), and other non-voting members from the partners (professional advisors).<br><br>The IJB, as the strategic commissioner of health and social care services, gives directions to the Council and NHS Borders for delivery of the services in line with the Strategic Plan, and monitors performance thereon. |