

## **Annual Governance Statement 2019/20**

### **Introduction**

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

### **Scope of Responsibility**

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

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

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

### **The Governance Framework and Internal Control System**

The Board of the IJB comprises voting members, nominated by either NHS Borders or Scottish Borders Council, as well as non-voting members including a Chief Officer appointed by the Board.

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

The main features of the governance framework and internal control system associated with the seven core principles of good governance defined in the Local Code in existence during 2019/20 included:

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

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

Reliance is placed on the values and standards set out in the codes of conduct within the employer partner organisations, which incorporate "The Seven Principles of Public Life" identified by the Nolan Committee on Standards in Public Life.

The IJB is dependent upon arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints;
- ethical awareness training and whistleblowing policies and procedures;
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- identifying, mitigating and recording conflicts of interest, hospitality and gifts; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

Other areas where the IJB places significant reliance on arrangements in place within the partner organisations are set out in the remainder of the statement.

The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Professional advice on the discharge of duties is provided to the Board by the IJB Chief Officer supported by Board Secretary, Chief Financial Officer, and Chief Internal Auditor as appropriate.

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

Board meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality.

Unless confidential, decisions made by the Board are documented in the public domain.

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 and Locality Plans were developed following consultations with interested parties including members of the public.

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

The vision, strategic objectives and outcomes are reflected in the Scottish Borders Health & Social Care Partnership's Strategic Plan 2018-2021 and the associated Strategic Implementation Plan, which reflect on-going assessment of need. These is underpinned by the Locality Plans which provide the associated implementation actions.

Implications are considered during the decision making process by way of the standard report template covering Personnel, Carers, Equalities, Financial, Legal, and Risk implications.

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

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

The Scottish Borders Health & Social Care Partnership's Strategic Plan 2018-2021 is based on consultation during its review and update and describes the planned redesign of Health and Social Care. The Strategic Implementation Plan sets out how services will be planned and delivered using the integrated budgets to achieve the strategic objectives.

The IJB, as strategic commissioner of health and social care services, gives directions to NHS Borders and Scottish Borders Council for delivery of the services in line with the Strategic Plan. In future there will be more use of directions as service redesign and recommissioning in line with the transformation programme is progressed.

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

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

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

Members of the IJB Board are provided with the opportunity to attend Development Sessions relevant to their role.

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

The IJB Chief Officer has overall responsibility for directing and controlling the partnership. The IJB Board is responsible for key decision-making.

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

The IJB Chief Financial Officer is responsible for the proper administration of all aspects of the Partnership's financial affairs including ensuring appropriate advice is given to the Board on all financial matters. The IJB CFO post has been filled on an interim basis until August 2020.

The IJB's system of internal financial control is dependent upon on the framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and systems of delegation and accountability within the partner organisations.

Revenue Budget Monitoring reports are presented to the Board at each meeting for monitoring and control purposes including the annual outturn. Financial reporting for the partnership requires the application of appropriate financial regulations, codes of financial practice, and reporting standards.

The IJB also relies upon the partners for:

- Counter fraud and corruption arrangements; and
- Management of data in accordance with applicable legislation.

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

The Chief Officer Audit & Risk of Scottish Borders Council is the IJB's Chief Internal Auditor to provide an independent and objective annual opinion on the effectiveness of internal control, risk management and governance. Provision of Internal Audit services is carried out in conformance with the Public Sector Internal Audit Standards.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The IJB Audit Committee is integral to overseeing assurance and monitoring improvements in internal control and governance.

Quarterly Performance Reports were presented to the Board for monitoring and control purposes. An Annual Performance Report for 2019/20 is being prepared to outline progress against strategic objectives over the year (the deadline has been extended in light of COVID-19 outbreak).

The Annual Accounts and Report for 2019/20 setting out the financial position in accordance with relevant accounting regulations is also being prepared.

The IJB completed a self-assessment return in May 2019 for the Ministerial Strategic Group as part of the review of progress with health and social care integration. Progress with implementation of improvements set out in an Action Plan is being monitored.

### **Review of Adequacy and Effectiveness**

The IJB is required to conduct, at least annually, a review of the effectiveness of its governance framework.

The review was informed by: an annual self-assessment against the IJB's Local Code of Corporate Governance consistent with the principles of the CIPFA/SOLACE Framework (2016), carried out by IJB Internal Audit; IJB Internal Audit reports; IJB External Audit reports; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Borders and Scottish Borders Council) Internal Audit and External Audit reports.

### **Improvement Areas of Governance**

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

- 1 Recruit on a permanent basis to the IJB Chief Financial Officer post.
- 2 Improve the clarity and transparency of Directions from the IJB to partners.
- 3 Review the Workforce Strategy to align to Strategic Plan priorities.

The implementation of these actions to enhance the governance arrangements in 2020/21 will be driven and monitored by the IJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2020/21 is designed to test improvements in governance arrangements.

## **Conclusion and Opinion on Assurance**

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

## **Covid-19 Response**

The above assurance reflects the assessment of governance in place during normal operations in 2019/20 prior to the significant coronavirus (Covid-19) outbreak in late March 2020. The Scottish Borders Health and Social Care Partnership played a strategic role in the emergency response with innovations, new business processes and solutions, and new technology being embraced in order to deliver services to the community. This was achieved using new ways of decision-making, amended governance arrangements, leadership and implementation including virtual meetings, conference calls, and systems remote access. The learning from the Covid-19 response will now feature in a fundamental review of the future decision-making processes of the partnership.

---

Rob McCulloch-Graham  
IJB Chief Officer  
mm 2020

---

Stephen Mather  
Chair of the IJB (to March 2020)  
mm 2020