

Annual Governance Statement 2021/22

Introduction

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

Scope of Responsibility

The SBIJB 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 SBIJB 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 SBIJB's policies, aims and objectives. Reliance is also placed on NHS Borders and Scottish Borders Council (the partners') systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives.

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

The Governance Framework and Internal Control System

The Board of the SBIJB 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 SBIJB's Local Code of Corporate Governance (SBIJB 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 SBIJB 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 SBIJB Local Code's 7 core principles of good governance in existence during 2021/22 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 SBIJB 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 SBIJB 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 SBIJB Chief Officer supported by the Board Secretary.

B. Ensuring openness and comprehensive stakeholder engagement

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

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plans which involve 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 Health & Social Care Strategic Plan 2018-2021 and the associated Strategic Implementation Plan, which are being reviewed and updated to reflect on-going assessment of need.

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 SBIJB has a statutory responsibility to involve patients and members of the public.

The Health & Social Care 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. These are both being reviewed and updated.

The SBIJB is the strategic commissioner of health and social care services from NHS Borders and Scottish Borders Council for the delivery of 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 in line with the new Directions Policy.

The 2022/23 Commissioning Plan aligns the SBIJB's areas of focus for commissioning over 2022/23 in line with its Strategic Plan, and improvements against the National Health and Wellbeing Outcomes.

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

The SBIJB 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 SBIJB. The Chief Officer also meets regularly with the Chief Executives of the partner organisations.

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

There is an interim Workforce Plan 2021/22 which supports the commissioned partners of the Integration Joint Board (3-year workforce plan is being developed).

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

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

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

The SBIJB Chief Financial Officer is responsible for the proper administration of all aspects of the SBIJB's financial affairs. Since August 2020 the SBIJB CFO role has been fulfilled jointly by the NHS Borders and Scottish Borders Council Directors of Finance. A permanent appointment has been made and post holder will commence in role August 2022.

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

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

The 2022/23 budget that is being prepared will include reference to the development of a Financial Recovery Plan with its partners. It is expected that Directions will be used to support this.

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

SBC's Chief Officer Audit & Risk is the SBIJB Chief Internal Auditor whose role is to provide an independent and objective audit opinion on the effectiveness of the SBIJB's internal control, risk management and governance arrangements. Provision of Internal Audit services for the SBIJB by SBC's Internal Audit team is carried out in conformance with Public Sector Internal Audit Standards.

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

Quarterly Performance Reports were presented to the Board for the purposes of monitoring and control. An Annual Performance Report for 2021/22 is being prepared to be presented to the Board to outline progress against strategic objectives during the year.

The Annual Accounts and Report for 2021/22 setting out the financial position in accordance with relevant accounting regulations is being prepared.

Review of Adequacy and Effectiveness

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

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

In respect of the four improvement areas of governance identified by the SBIJB in 2020/21 (nos. 1-4), there has been progress made with their implementation during the year. Two recommendations are now complete (Recruit on a permanent basis to the IJB Chief Financial Officer post; Improve the clarity and transparency of Directions from the IJB to partners), and two recommendations are still in progress with extensions granted to completion dates to enable the new Chief Officer to fully implement these. These therefore continue to be noted in the section below, nos. 1-2. Two further recommendations were made by Internal Audit arising from their 2021/22 review to enhance corporate governance arrangements, nos. 3-4 below.

Improvement Areas of Governance

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

- 1 Develop the Workforce Planning Framework to align to Strategic Commissioning Plan.
- 2 Ensure regular updates on progress against the Ministerial Strategy Group (MSG) Self Evaluation HSCP Action Plan and Best Value Areas of Improvement.
- 3 Review and update the Communications Strategy to ensure that it remains relevant in the current environment in respect of stakeholder consultation and engagement.
- 4 Ensure the key themes of consultation and sustainability are evidenced in reports used for decision-making to enhance transparency.

The implementation of these actions to enhance the governance arrangements in 2022/23 will be driven and monitored by the SBIJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2022/23 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 SBIJB'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 SBIJB to fully meet its principal objectives. Systems are in place to regularly review and improve governance arrangements and the system of internal control.

Chris Myers
SBIJB Chief Officer
mm 2022

Lucy O'Leary
Chair of the SBIJB
mm 2022