

Scottish Borders Health and Social Care IJB Audit Committee

19 June 2023

INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2022/23 FOR THE IJB



Report by Jill Stacey, IJB Chief Internal Auditor
(Scottish Borders Council's Chief Officer Audit & Risk)

1. PURPOSE AND SUMMARY

- 1.1. **To present the Internal Audit Annual Assurance Report for the year to 31 March 2023 for the Scottish Borders Health and Social Care Integration Joint Board (IJB), which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of the arrangements for governance, risk management and internal control by the IJB of the delegated resources.**
- 1.2. The Public Sector Internal Audit Standards (PSIAS) require the IJB's Chief Internal Auditor to prepare an annual report that incorporates: the opinion on the adequacy and effectiveness of Scottish Borders Health and Social Care Integration Joint Board's framework of governance, risk management and control; a summary of the work that supports the opinion; and a statement on conformance to the PSIAS.
- 1.3. Part of the IJB Audit Committee's remit is to assess the adequacy and effectiveness of the IJB's internal controls, corporate governance and risk management arrangements and to consider annual assurance reports. This includes receiving Internal Audit reports and overseeing progress on actions taken on audit recommendations.
- 1.4. To meet the requirements of the PSIAS, the Internal Audit Annual Assurance Report 2022/23 for the IJB (Appendix 1) includes: the Internal Audit independent assurance opinion on the adequacy and effectiveness of internal controls, governance and risk management arrangements within the IJB; provides details of the Internal Audit activity during the year to fulfil its role; and states the conformance of the SBC Internal Audit service to the PSIAS.

2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**
 - a) Consider the Internal Audit Annual Assurance Report 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1), which sets out the findings and conclusions arising from all Internal Audit work carried out during the year to 31 March 2023, consider the assurances therein, and provide any comments thereon; and
 - b) Consider the list of Internal Audit reports by Partners' Internal Auditors presented to their respective Audit Committees that are relevant to the IJB for assurance purposes (Appendix 2), and note that the IJB Chief Internal Auditor has taken account of these assurances to provide the statutory Internal Audit assurance to the IJB.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the Internal Audit work for the IJB on its systems of governance, risk and internal control will indirectly impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
X	X	X	X	X	X

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
X	X	X	X	X	X

4. INTEGRATION JOINT BOARD DIRECTION

- 4.1 A Direction is not required. This is a routine good governance report for assurance purposes.
- 4.2 The Internal Audit work that has been carried out during 2022/23 included a range of work associated with the IJB's Directions Policy and procedures, and the assurances thereon are included within Appendix 1.

5. BACKGROUND

- 5.1. The Public Sector Internal Audit Standards (PSIAS) require the IJB's Chief Internal Auditor to prepare an annual report that incorporates: the opinion on the adequacy and effectiveness of Scottish Borders Health and Social Care Integration Joint Board's framework of governance, risk management and control; a summary of the work that supports the opinion; and a statement on conformance with the PSIAS.
- 5.2. The Internal Audit service to IJB is provided by Scottish Borders Council's Internal Audit team, including the appointed IJB Chief Internal Auditor (SBC's Chief Officer Audit & Risk). The staff who performed the IJB Internal Audit work hold relevant professional qualifications and have the necessary experience, knowledge, skills and competencies (such as the Code of Ethics set out in the PSIAS).
- 5.3. The Internal Audit Annual Plan 2022/23 for the IJB, approved by the IJB Audit Committee on 14 March 2022, allocated 45 days to support the delivery of the Plan. The IJB Chief Internal Auditor provided an update to the IJB Audit Committee on 19 December 2022 on the progress being made on delivery of the 2022/23 Plan.

6. INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2022/23 FOR THE IJB

- 6.1. The Internal Audit Annual Assurance Report 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1) includes the IJB Chief Internal Auditor's independent and objective opinion regarding the adequacy and effectiveness of governance, risk management and internal controls within the IJB to fulfil the statutory role of Internal Audit. To ensure the annual reporting requirements of the Public Sector Internal Audit Standards (PSIAS) are met, the Report also includes a summary of the Internal Audit activity during the year that supports the opinion, and summarises the outcome of the self-assessment of the Internal Audit service against the PSIAS.
- 6.2. The Report provides assurances in relation to the IJB's corporate governance framework, that is a key component in underpinning the delivery of the IJB's strategic priorities. The Internal Audit opinion, findings and recommendations within the Internal Audit Annual Assurance Report 2022/23 for the Scottish Borders Health and Social Care Integration Joint Board have been used to inform the IJB Chief Officer's Annual Governance Statement 2022/23.
- 6.3. In addition to its own governance arrangements, the IJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the Partners. This includes the existing mechanisms embedded within both NHS Borders and Scottish Borders Council for provision of Internal Audit assurances to their respective Audit Committees.
- 6.4. The Appendix 2 to this report provides the list of Internal Audit reports by Partners' Internal Auditors presented to their respective Audit Committees that are relevant to the IJB for assurance purposes with a summary of assurances contained therein. The IJB Chief Internal Auditor has taken account of these assurances from Partners' Internal Auditors to provide assurance to the IJB.

7. IMPACTS

Community Health and Wellbeing Outcomes

- 7.1. This is a routine good governance report for assurance purposes and, as a result, assessment of the impact on the National Health and Wellbeing Outcomes is not relevant.

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	
5	Health and social care services contribute to reducing health inequalities.	
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	
7	People who use health and social care services are safe from harm.	
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	
9	Resources are used effectively and efficiently in the provision of health and social care services.	

Financial impacts

- 7.2. There are no additional costs attached to any of the recommendations contained in this report.
- 7.3. The Internal Audit work that has been carried out during 2022/23 included a range of work associated with the IJB's Financial Governance arrangements, and the assurances thereon are included within Appendix 1.

Equality, Human Rights and Fairer Scotland Duty

- 7.4. This is a routine good governance report for assurance purposes and, as a result, completion of an integrated impact assessment is not an applicable consideration.

Legislative considerations

- 7.5. The Scottish Borders Health and Social Care Integration Joint Board, established as a separate legal entity as required by the Public Bodies (Joint Working) (Scotland) Act 2014, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Scottish Borders partnership area, based on resources which have been delegated to it by the partners, Scottish Borders Council and NHS Borders.
- 7.6. The IJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The establishment of robust Risk Management and Audit arrangements is one of the key components of good governance and will be critical to the capacity of the IJB to function effectively.

Climate Change and Sustainability

- 7.7. The Internal Audit work for the IJB has been carried out during 2022/23 using a virtual platform MS Teams to minimise the need for business travel and reduce potential climate impact.

Risk and Mitigations

- 7.8. The PSIAS require Internal Audit to evaluate the effectiveness of the IJB's Risk Management arrangements and contribute to improvements in the process.
- 7.9. Internal Audit provides assurance to IJB Management, Audit Committee and the Board on the adequacy and effectiveness of internal controls and governance within the IJB, including risk management, and to highlight good practice and recommend improvements.
- 7.10. It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of IJB Management implementing the Internal Audit recommendations. In addition to its own governance arrangements, the IJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners.

8. CONSULTATION

Communities consulted

- 8.1. This is a routine good governance report for assurance purposes and, as a result, consultation with communities is not required.

Integration Joint Board Officers consulted

- 8.2. The IJB Chief Internal Auditor is required to give an independent assurance opinion on the IJB's governance, risk management and internal controls. The IJB Chief Officer and the IJB Chief Financial Officer have been engaged during consultation on the findings and recommendations at draft report stage to outline the key messages of assurance and areas of improvement, and have agreed these to enable finalisation of the Internal Audit Annual Assurance Report 2022/23 for the IJB.

Approved by:

Jill Stacey, IJB Chief Internal Auditor

Author(s)

Jill Stacey, IJB Chief Internal Auditor (Scottish Borders Council's Chief Officer Audit & Risk)
Sue Holmes (SBC Principal Internal Auditor)
Chris Hurt (SBC Interim Senior Auditor)

Background Papers: Internal Audit Annual Plan 2022/23 for the IJB

Previous Minute Reference: IJB Audit Committee 14 March 2022

For more information on this report, contact us at Internal Audit intaudit@scotborders.gov.uk



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Internal Audit Annual Assurance Report 2022/23

to

IJB Chief Officer and IJB Chief Financial Officer

for

Scottish Borders Health and Social Care Integration Joint Board

07 June 2023

1 Introduction

The Public Sector Internal Audit Standards (PSIAS) (2017) requires that:

“The chief audit executive (IJB Chief Internal Auditor) must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The annual report must incorporate:

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.”

2 Audit Opinion on the Governance, Risk Management and Internal Control

My opinion is that there are generally sound governance arrangements, risk management and systems of internal control in place for Scottish Borders Health and Social Care Integration Joint Board to support the achievement of its objectives. Management have implemented improvements during the year.

The IJB generally operates under good public sector practice governance arrangements including the Scheme of Integration, Local Code of Corporate Governance, and Standing Orders, as well as through Board and Committee meetings that support scrutiny and transparency of decisions made.

The IJB Chief Officer reviews the IJB Strategic Risk Register on a quarterly basis and reports twice during the year to the Board. A risk management update is provided annually to the IJB Audit Committee who fulfil their oversight role to monitor the IJB’s risk management arrangements. Knowledge of the strategic risks faced by the IJB and associated mitigations also enables Board members to be more informed when making business decisions.

The IJB continues to demonstrate strategic leadership and the Health and Social Care Strategic Framework 2023-26 will support the IJB in its compliance with the Public Bodies (Joint Working) (Scotland) Act 2014. The Framework sets out the mission, vision, objectives, ways of working and outcomes for the next three years covering 2023-26, to improve the outcomes of our communities. The Directions Policy and Procedure ensures consultation through the Strategic Planning Group (SPG) on new Directions before they are considered by the IJB and outlines the approach required to ensure that clarity and transparency are demonstrated and aligned to performance and financial reporting. The Integrated Workforce Plan 2022-2025, underpinned by an Implementation Plan, is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the communities.

The Board receives performance information on a quarterly basis. The development of Performance Management arrangements is ongoing and requires more work in order to be an effective mechanism to monitor delivery of integrated services.

The IJB Chief Officer and IJB Chief Financial Officer are committed to continuous improvement in governance and internal control to reduce risk, which is demonstrated through progress with implementation of Internal Audit recommendations from prior years. The recommendation arising from this 2022/23 review has been agreed by Management as highlighted in Section 5. Internal Audit will continue to follow-up progress on their implementation.

3 Scope of the Internal Audit Annual Plan 2022/23

The Internal Audit work that has been performed during the year is in accordance with that set out in the approved Internal Audit Annual Plan 2022/23 for the IJB. The range and breadth of Internal Audit work, which is listed below, is sufficient to inform the Internal Audit overall assurance opinion and conclusions on the effectiveness and appropriateness of these arrangements in place for each area considered.

Governance and Risk Management Arrangements

- assess the governance and risk management arrangements in place to ensure they are operating as described

Strategic Commissioning

- assess the governance arrangements in place to redesign service delivery to meet the needs of service users and align with the IJB strategic plan priorities
- Evaluate the implementation of the Directions Policy to ensure clarity and transparency can be demonstrated
- Review progress with the development of the Workforce Planning Framework and the full Workforce Plan to support delivery of redesigned services

Performance Management

- Assess whether there is appropriate alignment of performance measures in the IJB's Performance Management Framework to key priorities and outcomes of the Strategic Commissioning Plan

Follow up of previous Internal Audit recommendations

- follow-up of progress on areas of improvement recommended in 2021/22 audit assurance work

Audit planning

- renew risk assessment, develop and consult on coverage within the IJB Internal Audit Annual Plan 2023/24

Audit Committee Self-Assessment

- provide assistance to the Chair in undertaking a self-assessment of the IJB Audit Committee against the CIPFA Best Practice Guidance

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.

The IJB generally operates under good public sector practice governance arrangements supported by the IJB Local Code of Corporate Governance, which is based upon the CIPFA/SOLACE 2016 Framework. The Local Code reflects the appropriate framework for effective governance of the IJB's business, including its role as the strategic commissioning body, i.e. setting out when responsibility lies with the Chief Officer, Chief Financial Officer and the Board or where reliance is placed on the arrangements in place at its provider partners. A high level review of the Local Code of Corporate Governance was carried out during 2022/23 by Internal Audit, noting that it requires update to reflect current practices.

Effective leadership is essential to the IJB in delivering its strategic objectives. The new Chief Financial Officer was appointed on 1 August 2022.

Our attendance at virtual Board and Committee meetings and review of the Minutes of meetings which we did not attend continues to indicate that strong leadership is in place and that the Health and Social Care partners are working together in a constructive way.

The IJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council. This includes the existing mechanisms embedded within both NHS Borders and Scottish Borders Council for provision of Internal Audit assurances to their respective Audit Committees. Details of internal audit reports by Partners' Internal Audit providers to their respective Audit Committees and a summary of the assurances contained therein was provided to the IJB Audit Committee in December 2022, and further details are included as an Appendix to this report.

We have made no recommendations in respect of governance arrangements in this report.

Conclusion

The IJB generally operates under good public sector practice governance arrangements including the Scheme of Integration, Local Code of Corporate Governance, and Standing Orders, as well as through Board and Committee meetings that support scrutiny and transparency of decisions made.

Risk Management

Risk management is a process of identifying potential risks to the achievement of objectives in advance, analysing them and taking precautionary steps in order to mitigate those risks, thus managing the effect of uncertainty on objectives. Compliance with the principles of good governance requires the IJB to adopt a coherent approach to the management of risks that it faces in the achievement of its strategic objectives.

A Risk Management Policy and refreshed Risk Management Strategy were approved by the IJB in August 2020, following their endorsement by the IJB Audit Committee, which set out the role and responsibilities and the approach to the systematic identification, evaluation, management and review of the risks.

As an important and integral part of good governance and system of internal controls it is crucial that risks to the achievement of outcomes are identified and managed and must be considered in all aspects of decision making. The standard template for decision-making reports to the IJB and its Committees includes a section on implications covering risk. When taking a longer-term view with regard to decision-making, risks associated with the potential conflicts between the IJB's intended outcomes and short-term to medium-term financial constraints are unable to be evaluated until the Integrated Financial Framework has been developed.

The IJB Strategic Risk Register has been reframed to better reflect those facing the IJB as a separate legal entity and its strategic commissioning role, removing those risks relating to the partners, which is a positive development. The IJB Chief Officer, on a quarterly basis, carries out a review of the IJB Strategic Risk Register, which sets out the strategic risks associated with the achievement of objectives and priorities within the IJB Strategic Framework. These reviews were undertaken with support from the SBC Corporate Risk Officer.

In addition, IJB Strategic Risk Register Updates were presented to the IJB in June 2022 and March 2023 (deferred from December 2022 and again from January 2023) in accordance with the requirement for reporting twice yearly to the IJB that is set out in the Risk Management Policy.

The bi-annual risk update reports and the IJB Strategic Risk Register are intended to provide the Board with assurance that the strategic risks associated with the achievement of objectives and priorities within the IJB Strategic Framework are being effectively managed and monitored.

Reliance continues to be placed on the risk management arrangements within the Partner organisations in respect of the operational delivery of commissioned services in order to consider the escalation to the IJB Chief Officer of any of these risks that significantly impact on the delivery of the IJB's objectives. Recent work has involved engagement with the NHS Borders Risk Officer to develop this further via the creation of the Integrated Risk Forum.

We have made no recommendations in respect of risk management arrangements in this report.

Conclusion

The IJB Chief Officer reviews the IJB Strategic Risk Register on a quarterly basis and reports twice during the year to the Board. A risk management update is provided annually to the IJB Audit Committee who fulfil their oversight role to monitor the IJB's risk management arrangements. Knowledge of the strategic risks faced by the IJB and associated mitigations also enables Board members to be more informed when making business decisions.

Strategic Commissioning is concerned with planning and commissioning integrated services and overseeing their delivery to meet the priorities identified in the Strategic Commissioning Plan (SCP).

The IJB is responsible for planning and commissioning integrated services and overseeing their delivery. The IJB, as strategic commissioner of health and social care services, gives Directions to NHS Borders and Scottish Borders Council for delivery of services in line with the SCP.

There is a statutory responsibility to review the efficacy in delivery of the strategic plan every 3 years. The SCP was due to be renewed and refreshed from April 2021, but it was deferred by agreement with the Strategic Planning Group (SPG). At the IJB meeting 17 February 2021, the Board approved the continuation of the SCP until April 2022. A review of the delivery against the Strategic Implementation Plan (SIP) by the IJB Audit Committee and the SIP Board, recommended that the IJB should focus its commissioning activities over 2022/23 on the outstanding areas that were not delivered from the SCP. Further advice from the Scottish Government indicated that from a policy perspective it was reasonable to go beyond the planned April 2022 date for completion of a revised SCP to allow for comprehensive consultation to take place with stakeholders. The IJB endorsed the approach of undertaking a comprehensive Joint Needs Assessment to inform and develop a SCP for 2023-26. The Health and Social Care 'Strategic Framework' has been developed which sets out the mission, vision, objectives, ways of working and outcomes for the next three years covering 2023-26, to improve the outcomes of communities. This was approved by the IJB at its meeting of 15 March 2023.

The Strategic Framework applies to the IJB as its Strategic Commissioning Plan, and supports the IJB in its oversight of all delegated services, set aside and integration agenda. The Strategic Framework sets out how the IJB will transform, commission and provide health and social care services over the next three years to improve and support the health and wellbeing of the people of the Scottish Borders. The Strategic Framework also sets the direction of travel for the 'Enjoying Good Health and Wellbeing' theme of the Scottish Borders Community Planning Partnership. The Framework will be used as the Strategic Commissioning Plan and support the focus of delivery of delegated services and set aside for Scottish Borders Council and NHS Borders.

An associated Integrated Financial Framework will be developed to support the finalised Strategic Framework, and ensure that the strategic objectives and ways of working are prioritised from a financial perspective in line with the principles of Programme Budgeting and Marginal Analysis and Best Value. An annual plan for 2023/24 was approved by the IJB on 17 May 2023, which outlines the priorities of the IJB and its partners for the year ahead.

The Future Strategy Group (FSG) supports the SPG in undertaking the 'analyse and plan' commissioning segments of the strategic commissioning cycle. The SPG will use this information to develop Directions as required which will be issued by the IJB. The FSG will not replicate the work of the SPG, but will develop the detail for the SPG to scrutinise and steer. As the FSG reports into the SPG this will ensure that the IJB's key partners and communities have oversight and input into all strategic commissioning plans and all Directions before they are considered by the IJB.

Legislation requires that the action the delivery partners are required to undertake are set out in formal instructions (Directions) from the integration authority. The Directions Policy and Procedure ensures consultation through the SPG on new Directions before they are considered by the IJB and outlines the approach required to ensure that clarity and transparency are demonstrated and aligned to performance and financial reporting. A Directions Tracker is in place; 11 Directions have been issued by the IJB during 2022/23. The IJB Audit Committee monitors and reviews implementation of Directions to provide assurance to the IJB that Directions are being delivered, and also has oversight of progress against the SCP and provides assurance to the IJB thereon. They identified this area within their annual self-evaluation as an area for improvement to ensure they can be fully effective in performing this scrutiny role.

The Integrated Workforce Plan 2022-2025 was approved by the IJB on 31 October 2022, prior to submission to the Scottish Government, and is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the Scottish Borders communities. Adopting the Integrated Workforce Plan will support the IJB in evidencing compliance with relevant legislation.

An Integrated Workforce Plan Implementation Board was established in January 2023 with membership from the sectors involved in the health and social care partnership, and Terms of Reference have also been determined. The aim of this Implementation Board is to ensure that the Integrated Workforce Plan delivers a coordinated and more comprehensive insight into what can be achieved by working together.

A report presented to the IJB on 15 March 2023 gave an update on the development of the Integrated Workforce Plan's associated Implementation Plan. Going forward, this will be refreshed and reported quarterly to the IJB. In addition, an annual progress report will be presented to the IJB, which will include a revised action plan for the following year, aligned to National Care Service developments.

The Partnership's Joint Staff Forum will ensure that cross sector organisational development is effectively monitored, although it is not specifically detailed how this will be carried out. Internal Audit has made a recommendation to ensure effective governance arrangements are in place to deliver all elements of the Integrated Workforce Plan to achieve its objectives.

Conclusion

The IJB continues to demonstrate strategic leadership and the Health and Social Care Strategic Framework 2023-26 will support the IJB in its compliance with the Public Bodies (Joint Working) (Scotland) Act 2014. The Framework sets out the mission, vision, objectives, ways of working and outcomes for the next three years covering 2023-26, to improve the outcomes of our communities.

The Directions Policy and Procedure ensures consultation through the Strategic Planning Group (SPG) on new Directions before they are considered by the IJB and outlines the approach required to ensure that clarity and transparency are demonstrated and aligned to performance and financial reporting.

The Integrated Workforce Plan 2022-2025, underpinned by an Implementation Plan, is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the Scottish Borders communities.

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 that represents value for money.

The IJB is responsible for ensuring that it has an effective performance management system that facilitates effective and efficient delivery of planned services within the overarching objective of an integration health and social care system.

The IJB has a clear vision with strategic objectives and outcomes. The Board receives performance information on a quarterly basis. During 2022/23 three Performance Reports were presented to the IJB (21 September and 21 December 2022, and 15 March 2023) in addition to the annual performance report. Performance reporting to the Board is focussed on the monitoring of three objectives:

- We will improve health of the population and reduce the number of hospital admissions;
- We will improve patient flow within and outwith hospital; and
- We will improve the capacity within the community for people who have been in receipt of health and social care services to manage their own conditions and support those who care for them.

Overall performance reporting has greater focus on identified Ministerial priority areas and the National Health and Wellbeing Outcomes indicators, which are primarily health based and less into performance in respect of social care. KPIs have not been established for all outcomes, particularly in the local context and there is not full alignment of performance measures to key priorities and outcomes.

The IJB publishes an annual performance report, as required by legislation, which outlines progress against national Health and Wellbeing outcomes. The latest published annual report for 2021/22 strikes a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous for users to understand. The report does not contain information concerning National Outcome 8 (People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide) and National Outcome 9 (Resources are used effectively and efficiently in the provision of health and social care services).

The IJB does not presently have adequate arrangements in place for ascertaining the quality of integrated services and whether those services represent value for money. Significant reliance is placed on service quality reviews which are undertaken by the Partners and independent assurance gained from external inspection bodies. Coverage is therefore not as comprehensive as it could be and outcomes are not necessarily reported to the IJB.

The Improvement Service will commence the facilitated evaluation in April 2023 with Management in the Partnership covering (a) IJB and (b) partnership including NHS Borders and Scottish Borders Council (delayed due to capacity constraints in the Improvement Service). This will enable the update on progress of the consolidated MSG improvement actions and Best Value areas of improvement action plan (previous Internal Audit recommendation).

We have made no further recommendations in respect of performance management in this report.

Conclusion

The Board receives performance information on a quarterly basis. The development of Performance Management arrangements is ongoing and requires more work in order to be an effective mechanism to monitor delivery of integrated services.

5 Follow up of Internal Audit Recommendations

There were four recommendations in the 2021/22 Internal Audit Annual Assurance Report; two that were still in progress from the previous year 2020/21 and two new recommendations in 2021/22. An update on progress with these recommendations was provided to the IJB Audit Committee on 19 December 2022. Since then, two of the recommendations have been completed and good progress has been made on the other two; one from 2020/21 and one from 2021/22. Extensions to completion dates have been granted to enable the Chief Officer with assistance from other to fully implement these actions.

Recommendation	Current Status, and Agreed action owner and timescale, as applicable
1 (2020/21) Workforce Planning	Medium
The Health and Social Care Partners should develop the Workforce Planning Framework and the full Workforce Plan in order to support the delivery of the new IJB Strategic Commissioning Plan. (AUDIT.140)	An integrated Workforce Plan 2022-2025 was approved by the IJB on 31 October 2022 at an Extraordinary Meeting, prior to submission to the Scottish Government. Complete
2 (2020/21) Corporate Governance – MSG Actions / Best Value Areas of Improvement	Medium
Updates on progress against the MSG Self Evaluation HSCP Action Plan and Best Value Areas of Improvement should be provided to the IJB Audit Committee every 6 months. (AUDIT.141)	The Improvement Service will commence the facilitated evaluation in April 2023 covering (a) IJB and (b) partnership including NHS Borders and Scottish Borders Council. Due date extended from 31 March to 30 June 2023 to reflect plans and resources (delayed due to capacity constraints in the Improvement Service). Responsible Owner: Chief Officer Completion Date: 30 June 2023
3 (2021/22) Corporate Governance – Communications/Consultation	Medium
The Communications Strategy requires review (last reviewed 2018) to ensure that it remains relevant in the current environment. (AUDIT.175)	The key principles of stakeholder consultation and engagement and new approach have been applied during the development of the Strategic Framework 2023-2026, which is working well. The IJB has commented on the notable improvement in communications and engagement. Due date extended from 31 March to 31 July 2023 to allow time to prepare the new document. Responsible Owner: Chief Officer Completion Date: 30 September 2023
4 (2021/22) Corporate Governance – Decision making	Low
Report templates used for decision making should include specific sections for consultation and sustainability to demonstrate that these areas have been adequately considered. (AUDIT.176)	A new template has been adopted to enhance information on the implications of decisions and other aspects to ensure the IJB is able to demonstrate that it is complying with legislation. Complete

6 Action Plan

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

High – 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.

Medium – 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.

Low – 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.

1 (2022/23) Strategic Commissioning – Workforce Planning	Medium
<p>The Partnership Joint Staff Forum monitoring and reporting mechanism regarding cross sector organisational development should be established and documented.</p>	<p>Management Response: The reporting schedule for workforce will be amended to include provision of oversight to the Joint Staff Forum. Responsible Owner: CFO Completion Date: 30 June 2023</p>

7 Public Sector Internal Audit Standards (PSIAS)

The 2020/21 External Quality Assessment (required every 5 years) and 2022/23 Annual Self-Assessment of practices against the professional standards PSIAS (2017) have both indicated that Scottish Borders Council’s Internal Audit function conforms with the requirements within the 13 Assessment Areas of the Definition of Internal Auditing, the Code of Ethics, the Attribute Standards, and the Performance Standards. This includes the production of this report to communicate the results of its internal audit work during the year for the Scottish Borders Health and Social Care Integration Joint Board.

Below is the list of Internal Audit reports by partners' Internal Audit providers (SBC Internal Audit for Scottish Borders Council; Grant Thornton for NHS Borders) that have been presented in the second half of 2022/23 to their respective Audit Committees, which are relevant to the IJB for assurance purposes, with a summary of assurances contained therein.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Scottish Borders Council Audit Committee 12 December 2022 (Source: Agenda, Reports and Minutes published on website modern.gov)	Adult Social Care - Self- Directed Support (2022/23)	To assess that the internal financial controls and governance arrangements regarding Self Directed Support (SDS) ensure that national policy objectives are being met and public funds are safeguarded.	Substantial assurance. Largely satisfactory risk, control, and governance systems are in place. Client records are held in the Mosaic system, which contains all the care plans and relevant information relating to the client. Three Medium and One Low rated recommendations: development of a structured policy review timetable; re-establishing Management Information; ensuring changes to care plans are actioned timeously; and completing a reconciliation process across systems.
	Public Protection (2022/23)	To review the governance arrangements, including roles and responsibilities of partners, to ensure statutory obligations are met, for both adults and children.	Substantial assurance. Largely satisfactory risk, control, and governance systems are in place to meet statutory obligations. From the transition to an integrated Public Protection Committee (PPC) model in January 2020, the PPC has fulfilled the statutory roles of the Adult Support Protection Committee and the Child Protection Committee. The PPC reports to the Critical Services Oversight Group (CSOG), an executive level group with representation from the Council, NHS Borders and Police Scotland.
	Internal Audit Mid-Term Performance Report 2022/23	To highlight the progress Internal Audit has made, in the first 6 months of the year to 30 September 2022, towards completing the approved Internal Audit Annual Plan 2022/23. It also summarises the statutory obligations for Internal Audit and requirements of the Public Sector Internal Audit Standards (PSIAS).	Provides details of the half-yearly progress by Internal Audit with the delivery of its programme of work, which indicates good progress. Audit Committee approved the revisions to the Internal Audit Annual Plan 2022/23. The programme of work for the six months from October 2022 to March 2023 with current resources indicates that the revised Internal Audit Annual Plan 2022/23 can be delivered in full.

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<p>Scottish Borders Council Audit Committee</p> <p>13 February 2023</p> <p>(Source: Agenda, Reports and Minutes published on website modern.gov)</p>	<p>Payroll (2022/23)</p>	<p>To carry out compliance testing of controls at Service level, including assurance work on Payroll processes for Council, Pension, and Election payrolls, and key controls to prevent fraud and error.</p>	<p>Comprehensive assurance. Sound risk, control, and governance systems are in place. These should be effective in mitigating risks to the achievement of objectives. Some improvements in a few, relatively minor, areas are being progressed by HR: drafting the formal Payroll Overpayment Policy to reflect existing processes; and further work with Line Managers to ensure timely notification of changes.</p> <p>No recommendations.</p>
<p>Scottish Borders Council Audit Committee</p> <p>13 March 2023</p> <p>(Source: Agenda, Reports and Minutes published on website modern.gov)</p>	<p>Follow-Up Review 2022/23 of Completed Internal Audit Recommendations (2022/23)</p>	<p>To provide an update on the results of the Follow-Up Review which included a sample check on the adequacy of new internal controls for Internal Audit Recommendations marked as completed by Management in the period January to December 2022.</p>	<p>From the seven (7) recommendations tested, all were found to have been completed satisfactorily. The evidence that was provided by Management indicated the recommendations had been implemented satisfactorily and the action taken had the desired outcome of improving internal control and governance, and reducing risk. This provides assurance of evidence-based continuous improvement.</p>
	<p>Internal Audit Charter</p>	<p>To present the updated Internal Audit Charter for approval that defines the terms of reference for the Internal Audit function to carry out its role.</p> <p>The Internal Audit Charter applies to the provision of Internal Audit services to the Pension Fund (PF) and the Health and Social Care Integration Joint Board (IJB), in addition to Scottish Borders Council (SBC).</p>	<p>The Internal Audit Charter defines the purpose, authority and responsibility of the Internal Audit activity, consistent with the Definition of Internal Auditing, Code of Ethics and Standards within the Public Sector Internal Audit Standards (PSIAS).</p> <p>The Audit Committee approved the Internal Audit Charter to ensure that Internal Audit is tasked to carry out its role in accordance with best practice.</p>
	<p>Internal Audit Strategy and Annual Plan 2023/24</p>	<p>To set out the strategy for discharging the Internal Audit role to provide the annual assurance opinions (applies to SBC, PF, and IJB).</p> <p>To propose the planned programme of Internal Audit work for Scottish Borders Council for the year (separate Annual Plans 2023/24 for PF and IJB for approval by respective Board/Audit Committee).</p>	<p>The Internal Audit Strategy outlines the strategic direction for how Internal Audit will achieve its objectives set out in the Charter, and guides the Internal Audit function in delivering high quality Internal Audit services. The Internal Audit Annual Plan 2023/24 sets out the range and breadth of audit areas and sufficient work within the audit programme of work to enable the CAE to prepare an Internal Audit annual opinion for SBC.</p> <p>The Audit Committee approved these.</p>

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<p>NHS Borders Audit Committee</p> <p>10 October 2022</p> <p>(Source: Minutes of meeting received on request)</p>	<p>Audit Follow Up (2022/23)</p>	<p>Follow up on progress by Management with the implementation of Internal Audit recommendations.</p>	<p>Of the 25 recommendations being followed up (15 brought forward and further 10 being added), 1 action was closed, 17 were not yet due, and 7 were overdue. Of the seven overdue actions two were rated as high and arose from the Mandatory and Statutory Training audits, which had revised timescales of 31 December 2022. Internal Audit confirmed to the Audit Committee that they were content with the revised timescales put forward.</p> <p>The Audit Committee noted verbal updates on outstanding recommendations by relevant Managers on:</p> <ul style="list-style-type: none"> • IT Recovery and Resilience; • Mandatory and Statutory Training; and • Estates & Facilities.
	<p>Internal Audit Plan Update (2022/23)</p>	<p>To highlight the progress Internal Audit has made in delivering the 2022/23 Internal Audit Plan as at 29 August 2022.</p>	<p>The report provided an update on progress with the 2022/23 Internal Audit Plan as at 29 August 2022. Since the report had been written it was noted that fieldwork for the IJB Governance (covering inter alia the Board's interaction with the IJB) and Property Transaction Monitoring audits would commence in the near future. Audit Committee agreed to the Management request to combine the Risk Management and Health and Safety audits to make best use of time (this would free up three days within the plan). There was a request to undertake an audit in regards to the Laboratory Information Management System (LIMS) replacement.</p>
<p>NHS Borders Audit Committee</p> <p>12 December 2022</p> <p>(Source: Minutes of meeting received on request)</p>	<p>Audit Follow Up (2022/23)</p>	<p>Follow up on progress by Management with the implementation of Internal Audit recommendations.</p>	<p>The Audit Committee noted verbal updates on outstanding recommendations by relevant Managers on:</p> <ul style="list-style-type: none"> • Workforce Planning; • Covid19 Governance; • GDPR and Information Governance; and • Estates & Facilities.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
NHS Borders Audit Committee 12 December 2022 (Cont'd) (Source: Minutes of meeting received on request)	Internal Audit Plan Update (2022/23)	To highlight the progress Internal Audit has made in delivering the 2022/23 Internal Audit Plan as at 2 December 2022.	The report provided an update on progress with the 2022/23 Internal Audit Plan as at 2 December 2022. There had been slippage on delivery but Internal Audit were confident that this would be made back up. Internal Audit were working with Management and gave assurance the audits would be delivered.
	Outpatient Activity (2022/23)	To consider the controls, both design and operation, in place at NHS Borders in relation to Outpatient productivity.	The report had an overall rating of partial assurance with improvement required. Three medium-rated findings and one low-rated finding had been reported. Internal Audit made reference to the executive summary of the report. Relevant Management made comments on the Internal Audit findings and recommendations for improvement, provided wider operational context information, and responded to various questions raised by members of the Audit Committee.
NHS Borders Audit Committee dd March 2023 (Source: Minutes of meeting received on request)	The March 2023 minutes are still draft and will be approved at the June 2023 meeting of NHS Borders Audit Committee. A copy of these Minutes will be provided thereafter.		

The IJB Chief Internal Auditor has taken account of the available assurances from partners' Internal Audit providers to provide Internal Audit assurance to the IJB.