

Minute of Meeting

Renfrewshire Health and Social Care Integration Joint Board Audit, Risk and Scrutiny Committee

Date	Time	Venue
Friday, 23 June 2023	10:00	Remotely by MS Teams,

Present

Councillor Jacqueline Cameron and Councillor Fiona Airlie-Nicolson (Renfrewshire Council); Margaret Kerr and Ann Cameron Burns (Greater Glasgow & Clyde Health Board); Alan McNiven (third sector representative) and Paul Higgins (Health Board staff member involved in service provision).

Chair

Councillor Cameron, Chair, presided.

In Attendance

Christine Laverty, Chief Officer, Sarah Lavers, Chief Finance Officer, Jackie Dougall, Head of Health & Social Care (West Renfrewshire), Frances Burns, Head of Strategic Planning & Health Improvement, David Fogg, Service Improvement Officer and James Higgins, Corporate Business Officer (all Renfrewshire Health and Social Care Partnership); Andrea McMahon, Chief Internal Auditor (for items 4 to 8 only), Elaine Currie, Senior Committee Services Officer and Duncan Pole, End User Technician (all Renfrewshire Council); and Grace Scanlin, Senior Manager (Ernst & Young).

Recording of Meeting

Prior to the commencement of the meeting the Chair intimated that this meeting of the Committee would be recorded and that the recording would be available to watch on both the Council and HSCP websites.

Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

1 Minute

The Minute of the meeting of the Integration Joint Board (IJB) Audit, Risk and Scrutiny Committee held on 24 March 2023 was submitted.

DECIDED: That the Minute be approved.

Order of Business

At this point in the meeting, in terms of Standing Order 4.1, the Chair intimated that she proposed to alter the order of business to facilitate the conduct of the meeting by considering items 7, 8, 9, 10, 11 and 12 of the agenda after item 1 of the agenda.

2 Unaudited Annual Governance Statement 2022/23

The Chief Finance Officer submitted a report relative to the unaudited Annual Governance Statement 2022/23, a copy of which was appended to the report.

The report provided an opportunity to provide comment on and approve the Annual Governance Statement and allow members to agree that assurances on the governance framework could be provided to Renfrewshire Council and NHSGGC.

The Annual Governance Statement had been prepared in accordance with the relevant regulation and guidance, taking account of the Internal Audit Annual Report and the Chief Officer's evaluation of the operation of the governance arrangements within each service area. It would be subject to statutory audit by the Council's External Auditors as part of their review of the annual accounts.

DECIDED: That the draft Annual Governance Statement, as appended to the report, be approved.

3 Review of Integration Joint Board Financial Governance Arrangements

The Chief Finance Officer submitted a report relative to updated Financial Regulations, a copy of which was appended to the report.

The report advised that the IJB's financial governance arrangements, comprising the Financial Regulations and the Reserves Policy, had been approved by the Shadow IJB on 18 September 2015 for implementation from 1 April 2016 with the most recent revision of the financial governance arrangements being approved by the IJB on 19 June 2020.

The report intimated that the financial governance arrangements set out the regulations under which the IJB operated and identified the roles and responsibilities of the IJB, the Chief Officer and the Chief Finance Officer.

The proposed changes to the Financial Regulations were highlighted in section 4 of the report.

DECIDED:

(a) That the updated Financial Regulations, as appended to the report, be approved; and

(b) That it be noted that there had been no change to the IJB Reserves Policy approved by the IJB in June 2020.

4 Local Code and Sources of Assurance for Governance Arrangements

The Head of Strategic Planning & Health Improvement submitted a report seeking approval on the annual review of the Local Code and Sources of Assurance for Governance Arrangements, a copy of which was appended to the report.

The report intimated that the Local Code of Governance Arrangements enabled the IJB to demonstrate that its governance structures complied with the core and sub principles contained in the CIPFA and the Society of Local Authority Chief Executives (SOLACE) 'Delivering Good Governance in Local Government Framework' and to test the governance structures and partnerships against the Framework's principles. While the Framework was written in a local authority context, most of the principles were applicable to the IJB.

The report advised that Renfrewshire IJB operated through a governance framework based on this legislative requirement, governance principles and management processes. The IJB had worked to ensure that its governance arrangements were robust and informed by good practice. The Local Code of Corporate Governance was subject to ongoing review to ensure that internal controls, risk management and other governance arrangements were improved through the implementation of the Framework.

DECIDED:

(a) That, following review, the Local Code of Corporate Governance and Sources of Assurance, as appended to the report, be approved; and

(b) That it be noted that any recommendations arising from the internal audit of the Local Code and Sources of Assurance would be taken forward by the relevant officers with progress reported back to the IJB Audit, Risk and Scrutiny Committee.

5 CIPFA Financial Management Code

The Chief Finance Officer submitted a report providing an update on the recent self-assessment process undertaken against the CIPFA Financial Management Code.

The report advised that CIPFA published their Financial Management Code in 2019, designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. It set out the professional standards required to meet the minimum standards of financial management acceptable to meet fiduciary duties to taxpayers and customers. As these were minimum standards, CIPFA's judgement was that compliance with them was obligatory for an organisation to meet its statutory responsibility for sound financial administration. In addition, CIPFA members, which included the Chief Finance Officer, must comply with the Code as one of their professional obligations. The Code recognised the diversity of organisations in the public sector and was therefore not prescriptive as it was for each organisation to determine what was right for them in order to comply.

The report set out the underlying principles which informed the Code and indicated that, as the IJB's Financial Regulations and Local Code of Corporate Governance and Sources of Assurance had been reviewed, it was felt appropriate and timely for this self-assessment process to be undertaken and reported on.

Following the completion of the self-assessment process, it was the view of the Chief Finance Officer that the IJB was compliant with the Financial Management Code and the appendix to the report provided further detail in support of this and highlighted some areas of development which would be progressed in the coming months.

DECIDED:

- (a) That the requirements of the CIPFA Financial Management Code be noted; and
- (b) That the assessment of compliance for the IJB and the developments recommended for progression be noted.

6 Update on Risk Register

Under reference to item 3 of the Minute of the meeting of this Committee held on 24 March 2023, the Strategic Lead & Improvement Manager submitted a report providing an update on the continued implementation of the IJB's updated Risk Management Framework and the updates made to the IJB's Risk and Issues Register. A copy of the IJB Risk and Issues Register was appended to the report.

The report intimated that the Risk Management Framework set out the principles by which the HSCP and IJB identified and managed strategic and operational risks impacting upon the organisation and formed a key strand of the IJB's overall governance mechanisms. The framework set out how risks and issues should be identified, managed and reported.

The report provided further detail on the key activities completed and the key updates to existing risks.

DECIDED:

- (a) That the further work undertaken to implement the revised Risk Management Framework across operational services within the HSCP, including the ongoing monitoring of the take-up of the online training module launched in August 2022 and the preparation completed with services in advance of the internal audit of risk

management arrangements which commenced on 29 March 2023, as detailed in section 4 of the report, be noted; and

(b) That the updates made to the existing risks and issues, following further assessment and engagement with the HSCP and partners, as detailed in section 5 of the report, be approved.

7 Audit Scotland: Local Government in Scotland Overview 2023

The Head of Strategic Planning & Health Improvement submitted a report relative to Audit Scotland's report 'Local Government in Scotland Overview 2023'.

The report intimated that for the past three years, Audit Scotland had prepared a report on behalf of the Accounts Commission which provided a high-level, independent view on the challenges local government had faced as a result of the pandemic. A copy of the third and final report on the topic had been published in mid-May 2023 and was appended to the report.

The report advised that Audit Scotland had identified five key challenges for local government in Scotland: financial sustainability, community needs, collaboration, leadership and workforce and the report considered the impact of the pandemic, the current challenges, and how councils were responding. The report set out a brief summary of the Audit Scotland overview.

DECIDED:

(a) That the contents of the report be noted; and

(b) That the contents of the Audit Scotland overview, as appended to the report, be noted.

8 Internal Audit Plan 2022/23 and 2023/24 - Progress

The Chief Internal Auditor submitted a report providing an update on the progress of the Internal Audit Plan for 2023/24, a copy of which was appended to the report, and providing an update on the completion of the 2022/23 audit plan.

The report intimated that the plan set out a resource requirement of 35 days, including governance work, reviewing the adequacy and compliance with the Local Code of Corporate Governance, time for follow-up of previous recommendations, ad-hoc advice and planning and reporting.

The report advised that the 2022/23 engagement on risk management processes was currently being finalised by Azets and the draft report was expected to be issued to management soon. The 2023/24 review of performance management would be scoped in the coming months and the annual review of the adequacy and compliance with the Local Code of Corporate Governance would be undertaken in quarter 4.

The report indicated that time for planning and reporting continued to be used for regular reporting to this committee.

DECIDED: That the progress against the Internal Audit Plan for 2022/23 and 2023/24 be noted.

9 **Summary of Internal Audit Reports in Partner Organisations**

The Chief Internal Auditor submitted a report providing a summary of internal audit activity, relevant to the IJB, recently undertaken in partner organisations.

The report intimated that the IJB directed both Renfrewshire Council and NHSGGC to deliver services that enabled the IJB to deliver on its Strategic Plan. Both Renfrewshire Council and NHSGGC had internal audit functions and conducted audits across each organisation, the findings of which were reported to the respective audit committees. Members of the IJB had an interest in the outcomes of the audits at both Renfrewshire Council and NHSGGC that impacted upon the IJB's ability to deliver the Strategic Plan or support corporate functions.

In relation to internal audit activity within Renfrewshire Council, the report provided detail on the audit engagement for creditors, procurement quick quote processes and creditors-purchase to pay.

In relation to internal audit activity within NHSGGC, the report provided detail on the financial systems health check (payroll), the sustainability and value programme, the capital/estates planning neurological science project and waiting list management.

DECIDED: That the content of the report be noted.

10 **Internal Audit Annual Report 2022/23**

The Chief Internal Auditor submitted a report relative to the Internal Audit Annual Report on the IJB for 2022/23, a copy of which was appended to the report.

The report advised that the Public Sector Internal Audit Standards (PSIAS) required the Chief Internal Auditor to deliver an annual internal audit opinion on the overall adequacy and effectiveness of the internal control environment that could be used by the organisation to inform its governance statement. The 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, which included the Chief Internal Auditor's independent and objective opinion as to the adequacy and effectiveness of the internal control environment, outlined the work carried out for the year ended 31 March 2023. In forming the opinion, the Chief Internal Auditor conducted a review of the internal audit reports issued to the IJB in the year, the Internal Audit Annual Report from Renfrewshire Council and internal audit progress reports from NHSGGC.

DECIDED: That the contents of the IJB's Internal Audit Annual Report for 2022/23 be noted.

11 **Internal Audit - External Quality Assessment**

The Chief Internal Auditor submitted a report relative to the requirement in terms of the Public Sector Internal Audit Standards (PSIAS) to carry out an external quality assessment of Renfrewshire Council's Internal Audit service.

The report advised that the PSIAS required the Chief Internal Auditor to develop and maintain a quality assurance and improvement programme (QAIP) that covered all aspects of the internal audit activity. The external assessment of Renfrewshire Council's Internal Audit service had been carried out by South Ayrshire Council's Internal Audit and Corporate Fraud service utilising this framework. The review concluded that although the Internal Audit service fully conformed with the PSIAS, some recommendations were to be addressed and these were outlined in the appendix to the report.

DECIDED:

(a) That the external assessors report on Internal Audit's conformance with the Public Sector Internal Audit Standards be noted; and

(b) That the actions to be taken to implement the recommendations as set out in the report be noted.

12 **Internal Audit Charter**

The Chief Internal Auditor submitted a report relative to the Internal Audit Charter which was attached as an appendix to the report.

The report advised that the Internal Audit Charter had been updated to take account of the recommendation arising from the External Quality Assessment to include the definition of consulting activities and updated Committee and Board titles. No other changes were required to the Internal Audit Charter

DECIDED: That the revised Internal Audit Charter be approved.

13 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of this Committee would be held at 10.00 am on 18 September 2023.

Due to technical issues experienced by the Chief Internal Auditor, members of the Committee were unable to meet with her without officers present. This would now take place following the meeting of the Committee scheduled to be held on 17 November 2023.