

**To:** Renfrewshire Integration Joint Board Audit, Risk and Scrutiny Committee

**On:** 23 June 2023

**Report by:** Chief Finance Officer

**Heading:** Unaudited Annual Governance Statement 2022/23

## 1. Purpose

1.1 To present to the IJB Audit, Risk and Scrutiny Committee, the Unaudited Annual Governance Statement for the Renfrewshire Integration Joint Board for 2022/23 and:

- To provide the Audit, Risk and Scrutiny Committee, with the opportunity to provide comment on and approve the annual governance statement; and,
- To agree that assurances on the governance framework can be provided to Renfrewshire Council and NHS Greater Glasgow and Clyde (NHSGGC).

## 2. Recommendation

It is recommended that the IJB Audit, Risk and Scrutiny Committee:

- Approve the draft Annual Governance Statement, as set out in Appendix 1.

## 3. Background

3.1. The Integration Joint Board (IJB) is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure best value.

3.2. In discharging these responsibilities, the Chief Officer has a reliance on Renfrewshire Council and NHSGGC's systems of internal control which support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

3.3. The IJB has adopted governance arrangements consistent, where appropriate, with the principles of CIPFA and the Society of Local Authority Chief Executives (SOLACE) framework "Delivering Good Governance in Local Government" and the CIPFA Financial Management Code 2019 (FM Code). The Annual Governance statement explains how the IJB has complied with these governance arrangements and meets the requirements of the Code of Practice on Local Authority Accounting in the UK, which includes the requirement for an Annual Governance Statement.

3.4. In addition, the annual governance statement which forms a key part of the annual accounts provides readers of the accounts with assurance that the governance framework is fit for purpose.

- 3.5. The Annual Governance Statement for 2022/23 is attached and has 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.
- 3.6. The Governance Statement is subject to statutory audit by the Council's External Auditors as part of their review of the annual accounts.

---

### **Implications of the Report**

1. **Financial** – none
2. **HR & Organisational Development** – none
3. **Strategic Plan and Community Planning** – none
4. **Wider Strategic Alignment** – none
5. **Legal** – none
6. **Property/Assets** – none
7. **Information Technology** – none
8. **Equality & Human Rights** – none
9. **Fairer Scotland Duty** – none
10. **Health & Safety** – none
11. **Procurement** – none
12. **Risk** – The Annual Governance Statement provides information on the effectiveness of the IJB Governance Framework. Specific risks identified from the Chief Auditor's Annual Report and the assessments of the CO are disclosed in the statement.
13. **Privacy Impact** – none.

---

### **List of Background Papers – none**

---

**Author:** Sarah Lavers, Chief Finance Officer

Any enquiries regarding this paper should be directed to Sarah Lavers, Chief Finance Officer ( <a href="mailto:sarah.lavers@renfrewshire.gov.uk">sarah.lavers@renfrewshire.gov.uk</a> )
---

## Annual Governance Statement 2022/23

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

### Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The IJB also aims to foster a culture of continuous improvement in the delivery of the IJB's functions and to make arrangements to secure best value.

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 the Renfrewshire Council and NHSGGC systems of internal control which support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives.

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

The IJB has adopted governance arrangements consistent, where appropriate, with the principles of CIPFA<sup>1</sup> and the Society of Local Authority Chief Executives (SOLACE) framework "Delivering Good Governance in Local Government" and the CIPFA Financial Management Code 2019 (FM Code). This statement explains how the IJB has complied with the governance arrangements and meets the requirements of the Code of Practice on Local Authority Accounting in the UK, which details the requirement for an Annual Governance Statement.

### Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the IJB is directed and controlled. It enables the IJB to monitor the achievement of the objectives set out in the IJB's Strategic Plan. The governance framework is continually updated to reflect best practice, new legislative requirements, and the expectations of stakeholders.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively.

### Governance Framework and Internal Control System

The Board of the IJB comprises the Chair and seven other voting members. Overall, four are Elected Members nominated by Renfrewshire Council, and four are non-executive members of NHSGGC Board. There are also a number of non-voting professional and stakeholder members on the IJB including representatives from the third and independent sector bodies, carers, service users and trade unions. Professional members include the Chief Officer, Chief Finance Officer, and the Chief Social Work Officer. The IJB, via a process of delegation from Renfrewshire Council and NHSGGC, and its Chief Officer, has responsibility for the planning, resourcing and operational delivery of all delegated health and social care services within its geographical area.

The main features of the governance framework in existence during 2022/23 were:

---

<sup>1</sup> CIPFA – The Chartered Institute of Public Finance and Accountancy

- Principles
  - The IJB follows the principles set out in CoSLA's Code of Guidance on Funding External Bodies and Following the Public Pound for both resources delegated to the IJB by the Health Board and Local Authority and resources paid to its Local Authority and Health Service partners.
- Formal frameworks
  - The IJB is formally constituted through the Integration Scheme agreed by Renfrewshire Council and NHSGGC as approved by Scottish Ministers.
  - The IJB operates within an established procedural framework. The roles and responsibilities of Board members and officers are defined within: Standing Orders; Contract Standing Orders; Scheme of Delegation, and Financial Governance arrangements; these are subject to regular review.
  - A Local Code of Corporate Governance and Sources of Assurance was approved by the IJB early in 2017 which is subject to ongoing updates as required. In addition, Internal Audit reviews a sample of the elements of the local code annually and reports on the adequacy of compliance to the IJB Audit, Risk and Scrutiny Committee (ARSC).
  - At its meeting of 24 June 2022 Board members approved a revised Code of Conduct, based on the revised Model Code for Members of Devolved Public Bodies as approved by the Scottish Parliament in October 2021. The revised Code highlights the need for Board members to take personal responsibility for their behaviour and to have an awareness of the policies and guidance in relation to a number of areas including social media, equality, diversity and bullying and harassment. The revised Code was approved by the Scottish Government on 29 June 2022.
  - Board members are supported by induction and ongoing training and development. Staff 'Personal Development Plans' (PDP) schemes are also in place, the aim of which is to focus on performance and development that contributes towards achieving service objectives.
  - The HSCP has a robust Quality, Care and Professional Governance Framework and supporting governance structures which are based on service delivery, care and interventions that are: person centred, timely, outcome focused, equitable, safe, efficient, and effective. This is reported annually to the IJB and provides a variety of evidence to demonstrate the delivery of the core components within the HSCP's Quality, Care and Professional Governance Framework and the Clinical and Care Governance principles specified by the Scottish Government. The most recent report – covering the period April 2021 to March 2022 - was reviewed by the IJB in September 2022. It noted that governance arrangements are in place to support enhanced multidisciplinary arrangements to support care home and care at home settings. This aims to provide granular scrutiny, support and oversight of care home and care at home services.
- Strategic planning
  - The overarching strategic vision and objectives of the IJB are detailed in the IJB's Strategic Plan 2022-25 which sets out the key outcomes the IJB is committed to delivering with its partners.
  - The Strategic Planning Group sets out the IJB's approach to engaging with stakeholders. Consultation on the future vision and activities of the IJB (such as the development of the IJB's Strategic Plan) is undertaken with this group which includes

stakeholders from NHSGGC, Renfrewshire Council, Renfrewshire Carers Centre and third sector organisations. Further engagement with the IJB's partners Renfrewshire Council and NHSGGC is through agreed governance structures. As part of the strategic planning approach, services also utilise Care Planning Groups to support engagement with stakeholders. The IJB also considers and publishes information about its performance regularly as part of its public performance reporting. This information is available through the IJB's published papers.

- The Medium-Term Financial Plan 2022-25 is aligned to and complements the Strategic Plan 2022-25 and highlights the key financial challenges the IJB faces, as well as the strategic aims that it aspires to deliver and the community priorities that it strives to meet.
  - The IJB published its Workforce Plan 2022-25 in November 2022, in line with Scottish Government timescales. The Plan aligns with the IJB's Strategic Plan and Medium-Term Financial Plan covering the same period. It reflects national ambitions to deliver the recovery, growth, and transformation of our workforce in coming years, and is underpinned by the Scottish Government's five pillars to guide workforce development actions: (i) Plan; (ii) Attract; (iii) Employ; (iv) Train; and (v) Nurture. A supporting delivery plan has been developed and is monitored through the HSCP's Workforce Planning and Organisational Development group.
  - In September 2022, the IJB published its Palliative and End of Life Care Strategy 2022-25. The Strategy, complementary to the Strategic Plan 2022-25, describes how we will endeavour to improve the quality of life of patients and their families in Renfrewshire who are living and dealing with a life limiting illness, ensuring everyone receives person-centred, dignified, and compassionate care which reflects individual choices.
  - Also, in September 2022 the IJB published its Unpaid Adult Carers' Strategy 2022-25, Short Breaks Services Statement for Adult Carers 2022, and Adult Carer Eligibility Criteria 2022. These publications reaffirm the value we place on unpaid carers and the contribution they make to the wider community of Renfrewshire and reflect the feedback received in consultation with carers, staff, and partners.
- Oversight
    - Effective scrutiny and service improvement activities are supported by the formal submission of reports, findings and recommendations by Inspectorates and the appointed Internal Audit service to the HSCP's SMT, the IJB and the IJB ARSC, as appropriate.
    - Performance management, monitoring of service delivery and financial governance is provided by the HSCP to the IJB, who are accountable to both the Health Board and the Local Authority. It reviews reports on the effectiveness of the integrated arrangements including the financial management of the integrated budget. This ensures there is regular scrutiny at senior management, committee, and Board level. Performance is linked to delivery of objectives and is reported regularly to the IJB. Information on performance can be found in the Annual Performance Report published on the IJB website.
  - Risk management

- The IJB's risk management processes are well developed. The Risk Management Framework was last reviewed in early 2021 and was approved by the Audit, Risk and Scrutiny Committee in March 2021.
  - The framework sets out the principles by which the HSCP and IJB identify and manage strategic and operational risks impacting upon the organisation and forms a key strand of the IJB's overall governance mechanisms. This Risk Framework is reviewed every two years. At the time of writing an internal audit review on the IJB's Risk strategy, policy and framework is scheduled for March 2023, following which the bi-annual review by the HSCP will be undertaken, allowing for the inclusion of any pertinent audit recommendations.
  - The IJB's approach to managing its obligations with regards public records as set out in the Public Records (Scotland) Act 2011 is outlined in the IJB Records Management Plan.
  - Staff are made aware of their obligations to protect client, patient, and staff data. The NHS Scotland Code of Practice on Protecting Patient Confidentiality has been issued to all staff.
  - Staff are also required to undertake annual mandatory training on information security.
- Financial control
    - Responsibility for maintaining and operating an effective system of internal financial control rests with the Chief Finance Officer. The system of internal financial control is based on a framework of regular management information, Financial Regulations and Standing Financial Instructions, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of these systems is undertaken by managers within the HSCP supported by Renfrewshire Council and NHSGGC in relation to the operational delivery of health and social care services.
- Recovery and Renewal
    - Ensuring we can continue to deliver sustainable, safe, and effective services which meet the needs of our communities remains a central principle of the HSCP. Accordingly, the HSCP continues to progress with its Recovery and Renewal programme, established in the summer of 2020, with a focus on new ways of working and transforming how we deliver services in order to mitigate the risk of financial instability. 2022/23 has seen further refinement of the HSCP's approach to recovery and renewal, building on the previously established two-tier process of delivering in-year savings and longer-term reform, and aligning to the Strategic Plan theme of Sustainable Futures.

### COVID-19 Supplementary Governance Arrangements

During the first two years of the pandemic a number of key meetings were established to enable regular dialogue on key and emerging issues, in response to the significant public health challenge presented by COVID-19. At Board level, this included the Strategic Executive Group (SEG) and Chief Officers (HSCP) Tactical Group to consider and agree arrangements for HSCPs and IJBs within the NHSGGC area. At a local level, an Emergency Management Team (EMT) was established by Renfrewshire Council and a Local Response Management Team (LRMT) was established by the HSCP.

Three years after the initial outbreak the majority of these supplementary fora have now been stood down, with their associated actions and oversight having been embedded into business as usual. At the time of writing, the SEG and Chief Officers Tactical Group remain operational.

Renfrewshire IJB continues to work with partners to participate in the wider response to the pandemic at Health Board and national level and is a key participant in the Council family and Greater Glasgow and Clyde governance structures working with other HSCPs to manage the impact of the pandemic.

### Roles and Responsibilities

The Chief Officer is the Accountable Officer for the IJB and has day-to-day operational responsibility to monitor delivery of integrated services, with oversight from the IJB.

The IJB complies with the CIPFA Statement on “The Role of the Chief Finance Officer in Local Government 2014”. The IJB’s Chief Finance Officer has overall responsibility for the HSCP’s financial arrangements and is professionally qualified and suitably experienced to lead the IJB’s finance function and to direct finance staff.

The IJB complies with the requirements of the CIPFA Statement on “The Role of the Head of Internal Audit in Public Organisations 2019”. The IJB’s appointed Chief Internal Auditor has responsibility for the IJB’s internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. The purpose, authority and responsibility of Internal Audit has been formally defined in an internal audit charter

Board members and officers of the IJB are committed to the concept of sound internal control and the effective delivery of IJB services. The IJB’s Audit Risk and Scrutiny Committee operates in accordance with CIPFA’s Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The Committee’s core function is to provide the IJB with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance arrangements.

### Review of Adequacy and Effectiveness

The IJB has responsibility for conducting, at least annually, a review of effectiveness of the system of internal control and the quality of data used throughout the organisation. The review is informed by the work of the SMT (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditors and the Chief Internal Auditor’s annual report, and reports from external auditors and other review agencies and inspectorates.

The Internal Audit service operates in accordance with the CIPFA “Public Sector Internal Audit Standards 2017” which require the Chief Internal Auditor to deliver an annual opinion and report to inform the IJB’s governance statement.

The review of the IJB’s governance framework is supported by a process of self-assessment and assurance certification by the Chief Officer. The Chief Officer completes “Self-assessment Checklists” as evidence of review of key areas of the IJB’s internal control framework, these assurances are provided to Renfrewshire Council and NHSGGC. The SMT has input to this process through the Chief Finance Officer. In addition, the review of the effectiveness of the governance arrangements and systems of internal control within the Health Board and Local Authority partners places reliance upon the individual bodies’ management assurances in relation to the soundness of their systems of internal control. There were no internal control issues identified by the review. In addition, the Chief Officer

and Chief Finance Officer are satisfied that the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

Internal Audit undertakes an annual programme of reviews following an assessment of risk completed during the strategic audit planning process. The appointed Chief Internal Auditor provides an annual report to the Audit, Risk and Scrutiny Committee and an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control.

Due to the nature of IJB Membership, a conflict of interest can arise between an IJB Members' responsibilities to the IJB and other responsibilities that they may have. The IJB has arrangements in place to deal with any conflicts of interest that may arise. It is the responsibility of Board and Committee Members to declare any potential conflicts of interest, and it is the responsibility of the Chair of the relevant Board or Committee to ensure such declarations are appropriately considered and acted upon.

The arrangements continue to be regarded as fit for purpose in accordance with the governance framework and the FM Code.

### Internal audit opinion

No system of internal control, nor Internal Audit, can provide absolute assurance. On the basis of audit work undertaken during the reporting period and the assurances provided by the partner organisations, the Chief Internal Auditor is able to conclude that a reasonable level of assurance can be given that the system of internal control, risk management and governance is operating effectively within the organisation as evidenced in the Internal Audit Annual Report for 2022/23.

### Certification

On the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and the following action plan is in place to identify areas for improvement.

### Action Plan

Following consideration of the review of adequacy and effectiveness the following action plan has been agreed to ensure continual improvement of the IJB's governance. Regular updates on progress of the agreed actions will be monitored by the IJB Audit, Risk and Scrutiny Committee. Two previous outstanding actions have been consolidated into business-as-usual activity and consequently removed from our outstanding actions. These are i) updates to the Audit, Risk and Scrutiny Committee on our Recovery and Renewal programme, and ii) the rolling review of key IJB governance documents.

A copy of the agreed Action Plan is included in the following table:

Agreed Action	Responsible Person	Date
Working with our partners, explore and implement new ways of working to effect change and reform in HSCP service delivery, to assist in addressing the budget gap projected in the medium term and to ensure financial sustainability.	Chief Officer	Ongoing
Develop and implement the Strategic Delivery Plan for Year 2 of the Strategic Plan - informed by relevant Care Planning Groups –	Head of Strategic Planning and	September 2023



setting out success measures and milestones, to evidence how the agreed strategic objectives will be progressed each year.	Health Improvement	
--	--------------------	--

### Actions Completed in 2022-23

Agreed Action	Responsible Person	Status
Develop the Strategic Delivery Plan for Year 1 of the Strategic Plan - informed by relevant Care Planning Groups – setting out success measures and milestones, to evidence how the agreed strategic objectives will be progressed each year.	Head of Strategic Planning and Health Improvement	Complete
Develop a new three-year workforce plan to help address challenges in recruitment and retention, providing detail on how the IJB will endeavour to ensure that the workforce is adequately resourced and has the qualifications, knowledge, skills, and resilience required to deliver safe, fit for purpose services that deliver real improvements to the health and wellbeing of Renfrewshire's population.	Head of Strategic Planning and Health Improvement	Complete
Reprofile scheduling of 2020/21 savings targets and transformational activity for period to 2022/23 in response to COVID-19 crisis and implement robust programme and benefits management to ensure continued financial control.	Chief Finance Officer	Complete

### Outstanding Actions

Agreed Action	Progress	Responsible Person	Date
Assess the implications of agreed recommendations taken forward following the Independent Review of Adult Social Care (Feeley Review), with a particular focus on implications for IJB governance, and provide regular assessments to the IJB.	Draft legislation on the creation of the National Care Service was published by the Scottish Parliament in June 2022 and at the time of writing, the Bill remains at Stage 1 of the parliamentary process. This action remains on hold pending further updates from the Scottish Government.	Chief Officer	Ongoing
Carry out a review of the Renfrewshire Integration Scheme in line with the Public Bodies (Joint Working) (Scotland) Act 2014).	At the time of writing, work is ongoing between Renfrewshire Council, the other five Local Authorities within Greater Glasgow and Clyde and NHS GGC to confirm the timescales for consultation, and subsequent approval of, Integration Schemes. The existing	Chief Officer	Ongoing

	Integration Scheme will remain in place until this time.		
--	--	--	--

### Conclusion and Opinion on Assurance

While recognising the importance of continuous improvement, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment and the implementation of the action plan will be monitored by the HSCP Senior Management Team throughout the year.

John Matthews OBE, Chair, Renfrewshire Integration Joint Board

Date: \_\_\_\_\_

Christine Lavery, Chief Officer Date: \_\_\_\_\_