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

On: 18 June 2021

Report by: Chief Finance Officer

Heading: Unaudited Annual Governance Statement 2020/21

1. Purpose of Report

- 1.1. To present to the IJB Audit, Risk and Scrutiny Committee, the Unaudited Annual Governance Statement for the Renfrewshire Integration Joint Board for 2020/21 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).
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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.
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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 NHSGGC and Renfrewshire Council'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 six principles of CIPFA and the Society of Local Authority Chief Executives (SOLACE) framework "*Delivering Good Governance in Local Government*". 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 2020/21 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. **Community Planning** – none
4. **Legal** – none
5. **Property/Assets** – none
6. **Information Technology** – none
7. **Equality & Human Rights** – none
8. **Health & Safety** – none
9. **Procurement** – none
10. **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.
11. **Privacy Impact** – none.

List of Background Papers – None

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Annual Governance Statement

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 performance 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 NHSGGC and Renfrewshire Council 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.

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 CIPFA¹ and the Society of Local Authority Chief Executives (SOLACE) framework "Delivering Good Governance in Local Government". 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; four are Council Members nominated by Renfrewshire Council, and, four are Board members of NHSGGC. There are also a number of non-voting professional and stakeholder members on the IJB Board. Stakeholder members currently include representatives from the third and independent sector bodies, carers and service users. Professional members include the Chief Officer and Chief Finance Officer. The IJB, via a process of delegation from NHSGGC and Renfrewshire Council, and its Chief Officer has responsibility for the planning, resourcing and operational delivery of all delegated health and social care within its geographical area.

¹ CIPFA – The Chartered Institute of Public Finance and Accountancy

The main features of the governance framework in existence during 2020/21 were:

- 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 and 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 and Scheme of Administration; Contract Standing Orders; Scheme of Delegation, and, Financial Governance arrangements; these are subject to regular review.
 - A Local Code of Corporate Governance was approved by the IJB early in 2017 which is subject to ongoing updates as required. Board members adhere to an established Code of Conduct and are supported by induction and ongoing training and development. Staff 'Performance and Personal Development' (PPD) 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.

- Strategic planning
 - The overarching strategic vision and objectives of the IJB are detailed in the IJB's Strategic Plan 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 is undertaken with its Health Service and Local Authority partners. The IJB publishes information about its performance regularly as part of its public performance reporting.
 - The Medium-Term Financial Plan 2020/21 to 2025/26 outlines the financial challenges and opportunities the Health and Social Care Partnership (HSCP) faces over the next 5 years and provides a framework which will support the HSCP to remain financially sustainable. It complements the HSCP's Strategic Plan, highlighting how the HSCP Medium-Term Financial Planning principles will support the delivery of the IJB's strategic objectives and priorities.
 - The HSCP has an Organisational Development and Service Improvement Strategy developed in partnership with its parent organisations. Progress, including an update on the Workforce Plan, is reported annually to the IJB.

- 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 IJB's Senior Management Team, the main Board and the Audit, Risk and Scrutiny Committee, 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 reviewed in early 2021 and a number of revisions have been made. These changes were submitted to the Audit, Risk and Scrutiny Committee in March 2021 and were approved. Risk management is undertaken through regular reporting to the Senior Management Team and also to the IJB Audit, Risk and Scrutiny Audit Committee for their review and comment.

- 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 NHSGGC and Renfrewshire Council in relation to the operational delivery of health and social care services.

- Transformational change
 - The HSCP's medium term approach (Tier 2) to financial planning recognised the need to transform the way in which the HSCP delivers services, to ensure the sustainability of health and social care services going forward. Whilst our transformation programme was paused in March 2020 to enable a focus on critical and essential services, the IJB, through its Recovery and Renewal Steering Group is now progressing with its transformation programme, reflecting delivery of our four guiding principles.

COVID-19 Supplementary Governance Arrangements

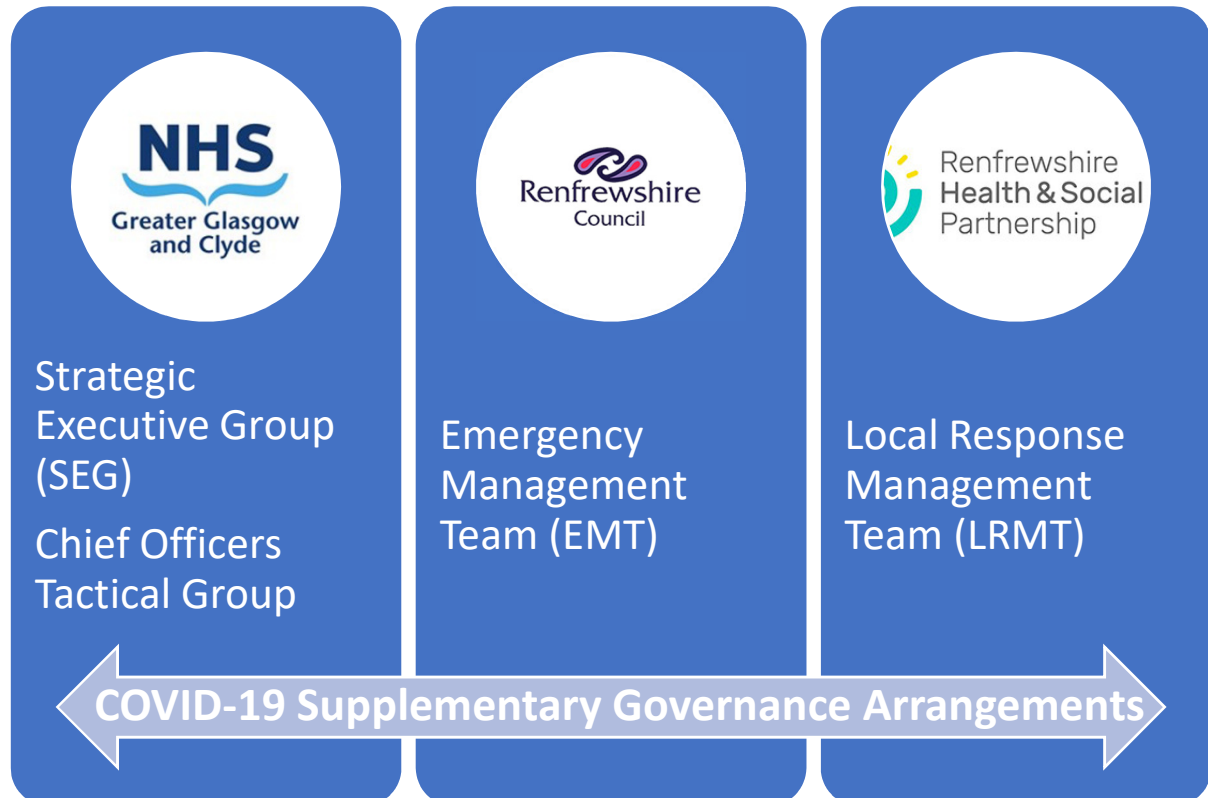
In response to the COVID-19 pandemic a number of key meetings were established to enable regular dialogue on key and emerging issues. Across NHSGGC a Strategic Executive Group (SEG) was setup, chaired by the Chief Executive with whole-system representation. The SEG met daily for an extended period with subgroups, including a Chief Officers (HSCP) Tactical Group being formed to consider and agree arrangements for HSCPs and IJBs within the NHSGGC area. A similar arrangement was created for Chief Finance Officers across NHSGGC with regular weekly meetings established to

ensure regular and connected discussions on key areas of activity, including funding allocations to support increased demand and latterly Local Mobilisation Plan (LMP) planning and sustainability payments.

Locally in Renfrewshire the Local Authority Corporate Management Team (CMT) established an Emergency Management Team (EMT) which similarly met on a daily basis, with Council-wide representation from all services areas, including the HSCP through the Chief Officer, Chief Finance Officer and Head of Strategic Planning, to ensure requirements and considerations for HSCP services were effectively planned for within the wider contingency planning arrangements. Renfrewshire HSCP also established a Local Response Management Team (LRMT), per the HSCP Business Continuity Plan approach, in order for all areas of service control to be considered through this singular group. The membership of the LRMT was extended to include the co-chairs of our Staff Partnership Forum (SPF) to ensure that pertinent staff issues were trailed and considered in an appropriate and timely manner.

Naturally the frequency across all of these meetings mirrored the requirements at the time, with groups moving to less frequent but continued discussions in the months ahead.

In addition to the new fora created to review and manage issues relating to the pandemic, the IJB approved and initiated temporary decision-making arrangements at its meeting of Friday 20 March 2020 to enable quick and decisive action to be taken in respect of pressures on health and social care services in Renfrewshire. Under these temporary arrangements, authority is delegated, if required, to meet immediate operational demand, to the Chief Officer in consultation with the Chair and Vice Chair of the IJB. These temporary measures continue to be in place and are subject to ongoing review.



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 Senior Management Team (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 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 NHSGCC. The Senior Management Team 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 significant internal control issues identified by the review.

Internal Audit undertakes an annual programme 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 Board Membership, a conflict of interest can arise between an IJB Board 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 Management Commentary provides an overview of the key risks and uncertainties facing the IJB.

Although no system of internal control can provide absolute assurance, nor can Internal Audit give that 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.

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 RHSCP'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 Internal Audit service operates in accordance with the CIPFA “Public Sector Internal Audit Standards 2017”.

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.

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.

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

| Agreed Action | Responsible Person | Date |
|--|---|----------------|
| Further the implementation of the IJB’s Risk Management Framework through delivery of risk management training with the IJB Audit, Risk and Scrutiny Committee. | Head of Strategic Planning and Health Improvement | June 2021 |
| Establish a Complaints Manager post to lead on the development and implementation of the HSCP Records’ Management Plan and improvement planning to ensure compliance with GDPR and information governance requirements. | Head of Strategic Planning and Health Improvement | September 2021 |
| Work with the Strategic Planning Group to develop and consult on an updated Strategic Plan 2022-25, reflecting the impact of COVID and the need for flexibility within the current policy environment, for IJB approval in March 2022. | Head of Strategic Planning and Health Improvement | March 2022 |
| Update the HSCP Medium Term Financial Plan to account for the ongoing impact of COVID-19, aligning where possible to the recommendations in the Independent Review of Adult Social Care, and link to the refreshed HSCP Strategic Plan. | Chief Finance Officer | March 2022 |
| As set out in our Strategic Plan 2019-2022 we will further the establishment of unified quality care and professional governance arrangements. | Chief Finance Officer | Ongoing |
| 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. | Chief Officer | Ongoing |

Update on 2019/20 Action Plan

| Agreed Action | Progress | Responsible Person | Date |
|---|---|---|--|
| <p>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.</p> | <p>The IJB considered and approved a reprofiled suite of savings for 2020/21 in March 2021.</p> <p>Our Transformation Programme was paused in March 2020 to enable the HSCP to focus on critical and essential services and will be reprofiled during 2021/22.</p> | <p>Chief Finance Officer</p> | <p>Updated timescale: November 2021</p> |
| <p>Implement standing agenda item at each IJB Audit, Risk and Scrutiny Committee to provide update on transformational activity and benefits management in line with above reprofiling.</p> | <p>As above, our Transformation Programme was paused in March 2020 to enable the HSCP to focus on critical and essential services.</p> <p>Following IJB approval in March 2021 of a reprofiled suite of Tier 1 savings and the establishment of a financial benefits tracker, this standing agenda item will be implemented later in 2021/22.</p> | <p>Chief Finance Officer</p> | <p>Updated timescale: September 2021</p> |
| <p>Put in place a plan to review, on a rolling basis, IJB key governance documents, including for example Standing Orders, Scheme of Delegation and Financial Regulations.</p> | <p>Key governance documents, such as the IJB Financial Regulations, were reviewed on an ad hoc basis throughout 2020/21.</p> <p>A revised scheduled review plan is currently in progress and will be taken forward by the Head of Strategic Planning and Health Improvement.</p> | <p>Chief Finance Officer</p> | <p>Updated timescale: September 2021</p> |
| <p>Working with NHSGGC and the five other GGC HSCP's, develop commissioning plans in relation to acute set-aside resources.</p> | <p>In June 2020, NHS Greater Glasgow and Clyde's draft Unscheduled Care Joint Commissioning Plan was submitted to the IJB and was approved at this time.</p> | <p>Head of Health and Social Care (Paisley)</p> | <p>October 2021</p> |

| | | | |
|--|--|--|--|
| | <p>The report outlined the work undertaken pre-COVID-19 by all six NHSGGC HSCPs to develop a system-wide Strategic Commissioning Plan in partnership with the NHS Board and Acute Services Division and in line with the IJB's Strategic Plan. The draft Unscheduled Care Commissioning Plan builds on the GGC Unscheduled Care Improvement Programme and is integral to the Board-wide Moving Forward Together programme.</p> <p>The draft Unscheduled Care Commissioning Plan (UC JCP) was submitted to all six IJBs for consideration and approval, recognising that further work was required on key aspects. One key aspect of the unscheduled care work was learning from the pandemic, during which there had been a fall in unscheduled care activity.</p> <p>The GGC HSCP Delivery Group has oversight for the delivery of the Plan and is leading on the work currently underway to finalise its completion. The final Plan will be presented for IJB approval in September 2021. The 22 Actions with the Plan will be phased over the next 3 years with each HSCP developing its own Local Delivery Plan in order to meet local needs and priorities.</p> | | |
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|--|---|---|----------|
| Review existing Risk Management arrangements, including an agreed risk appetite statement. | <p>The Head of Strategic Planning and Health Improvement is now the member of SMT responsible for risk management.</p> <p>The IJB's Risk Management Framework was reviewed in early 2021 and a number of revisions have been made. These changes were approved by the Audit, Risk and Scrutiny Committee in March 2021.</p> | Head of Strategic Planning and Health Improvement | Complete |
| Review existing Business Continuity arrangements, in light of current COVID-19 impact on service delivery and lessons learned. | <p>The Head of Strategic Planning and Health Improvement is now the member of SMT responsible for risk management.</p> <p>The existing Business Continuity Plan was reviewed and updated in December 2020. Business Continuity arrangements will be further reviewed and updated at an appropriate point in 2021 to ensure they further reflect lessons learned from the COVID-19 pandemic.</p> | Head of Strategic Planning and Health Improvement | Complete |

Update on 2018/19 actions

| Agreed Action | Progress | Responsible Person | Date |
|---|---|--|---------|
| Implement Ministerial Steering Group Review of Integration Proposals and Self Actions identified to be delivered over 2019/20, including: the development of commissioning plans to support the implementation of the set aside arrangements; working closely with the IJB and the Director of Finance for NHSGGC to ensure that all possible steps are taken to enable | As above, work continues to be progressed in this area with the six NHSGGC wide HSCP's. A detailed action plan with an associated financial framework is due to be submitted to the IJB later this autumn 2021, thereafter it is hoped that | Head of Health and Social Care (Paisley) | Ongoing |

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|--|---|----------------------|----------------|
| <p>the IJB to approve the delegated health budget prior to the start of the financial year.</p> | <p>work on the priorities identified will commence.</p> <p>The IJB will continue to work with our partners to ensure that future budgets/savings plans are agreed in advance of the financial year end.</p> | | |
| <p>Carry out a review of the Renfrewshire Integration Scheme in line with the Public Bodies (Joint Working) (Scotland) Act 2014)</p> | <p>Over the latter half of 2019 and into 2020 officers reviewed the Integration Scheme, working collaboratively with the other 5 HSCPs in the Greater Glasgow & Clyde Health Board area.</p> <p>On 19 February 2020, Renfrewshire Council's Leadership Board approved a reviewed version of the Integration Scheme for consultation. The NHS Board was unable to progress at that time. The necessary response to the pandemic has clearly impacted on the capacity to carry out the consultation</p> <p>Discussions are underway between the Council and Health Board to agree a timeline for the approval of the updated, draft Scheme; the statutory consultation period; and the approval of the final Scheme through both governance structures.</p> | <p>Chief Officer</p> | <p>Ongoing</p> |

Conclusion and Opinion on Assurance

While recognising that improvements are required, 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.

Councillor Jacqueline Cameron Chair, Renfrewshire Integration Joint Board Date: _____

Shiona Strachan, Acting Chief Officer Date: _____