

**Title/Subject:** Governance Action Plan – Progress Report  
**Meeting:** IJB Audit Committee  
**Date:** 25 June 2018  
**Submitted By:** Chief Finance Officer  
**Action:** For Noting

## **1. INTRODUCTION**

- 1.1 The purpose of this report is to present an update on the Governance Action Plan for the Falkirk IJB.

## **2. RECOMMENDATIONS**

The Audit Committee is invited to note:

- 2.1 The updated Governance Action Plan attached as Appendix 1 to this report  
2.2 A progress report will be prepared for the December 2018 Audit Committee

## **3. BACKGROUND**

- 3.1 Guidance produced by the Integrated Resources Advisory Group states that the IJB has responsibility for reviewing the effectiveness of governance arrangements including the system of internal control.
- 3.2 Internal Audit's 2016/17 Annual Internal Audit Report, as presented to the Audit Committee in August 2017 recommended that a governance action plan, setting out a timetable for implementation, should be prepared and approved and monitored by the IJB or the Audit Committee. The Chief Officer agreed this recommendation. It was subsequently agreed that an update on the governance action plan would be presented to the Audit Committee on a six monthly basis.
- 3.3 The governance action plan was last submitted to the Audit Committee in December 2017.

#### **4. GOVERNANCE ACTION PLAN**

- 4.1 The governance action plan for the Falkirk IJB is included at Appendix 1. This action plan reflects the actions set out in the Annual Governance Statement in the 2017/18 annual accounts.
- 4.2 Whilst many of the actions have a status of red or amber, significant progress has been made. Key areas of progress are:
- The transfer of operational NHS services is progressing with a proposed transfer date of 1 September 2018 for phase 1. This will impact on a number of the action points.
  - Revised Clinical & Care Governance arrangements have now been established, including a new Clinical & Care Governance committee and revised terms of reference.
  - Workshops have been held to take forward the development of a revised Strategic Plan for 2019 – 2022.
  - Plans are in place to move the risk management arrangements forward.
- 4.3 In line with the agreed monitoring arrangements, a progress report will be submitted to the December Audit Committee. However, members of the Audit Committee may want to request an update on specific areas where considered appropriate.

#### **5. CONCLUSIONS**

- 5.1 The Governance Action Plan will help to ensure that the IJB is meeting its responsibilities for reviewing the effectiveness of governance arrangements including the systems of internal control.
- 5.2 Regular monitoring of the Governance Action Plan will help to ensure that actions are taken forward effectively and timeously.

##### **Resource Implications**

There are no resource implications arising from the recommendations in this report.

##### **Impact on IJB Outcomes and Priorities**

Effective governance, including risk management and internal control, will be necessary to deliver the outcomes and priorities of the IJB.

##### **Legal & Risk Implications**

The Governance Action Plan will be used to address known risks and will inform the Annual Governance Statement which must be produced as part of the Annual Accounts.

**Consultation**

The Governance Action Plan has been developed between the Chief Internal Auditor and the Chief Office and Chief Finance Officer of the IJB.

**Equalities Assessment**

No equalities issues arise from the recommendations of this report.


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Approved for Submission by: Patricia Cassidy, Chief Officer



**Author: Amanda Templeman**

**Date:** 11 June 2018



**List of Background Papers:** The papers that may be referred to within the report or previous papers on the same or related subjects.

Action No.	Annual report actions	Proposed management action	Responsible Officer/ Timescale	To be reported to	Status R/A/G/ Complete	Comments
<b>Corporate Governance</b>						
1.	A formal agreement setting out the precise responsibilities of the IJBs, Forth Valley NHS Board and the Council in relation to operational activities and the exact nature of the delegation of functions to the IJBs should be developed. This agreement should clearly set out risk management responsibilities and provide clarity around the role of the CO.	<p>Agreed. This will form part of the work on Integrated Structures which is underway.</p> <p>A verbal update on progress was provided by the NHS Chief Executive at the IJB in April 2018.</p> <p>A paper on structures was taken to the June 2018 IJB but was deferred.</p> <p>A special IJB to look at structures has been scheduled for 25 June 2018.</p> <p>A working group has been set up to take forward the transfer of operational NHS services to the IJB.</p> <p>This group will look at roles, structures, staffing, costs etc.</p>	<p>Chief Execs</p> <p>Chief Officer</p> <p>Autumn 2018</p>	IJB		



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2.	The March 2017 SoD should be reviewed by 31 March 2018 as partnership arrangements develop	Agreed. However, the timescale for this work will be driven by the work at recommendation 1.	Chief Finance Officer  TBC  No update	IJB		
3.	The Chief Officer should continue further development of partnership arrangements, including operational delegation of NHS services with Chief Executives and updates will be provided to future IJB meetings.	Agreed. This will form part of the work on Integrated Structures work which is underway.	As point 1 above.	IJB		
4.	A comprehensive support services agreement should be completed, agreed between the constituent authorities and presented to the IJB for approval.	Agreed. This will form part of the work on Integrated Structures which is underway.  A draft paper has been prepared setting out the requirements from an IJB perspective. The teams required are being sized etc. However, clarity is required over the NHS resource transferring as part of the transfer of services.	As point 1 above.	IJB		


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5.	As set out in the Integration Scheme, the annual review of the support function should be carried out to inform the proposed support services agreement.	<p>Agreed. A costed proposal for additional support for planning, project management, performance, communications, community capacity building and engagement will be prepared for agreement with the Chair and Vice Chair of the IJB and the Chief Executives.</p> <p>See above. This will be included in the joint Chief Executive report to the Special IJB meeting on 25 June 2018.</p>	<p>Chief Executives</p> <p>Chief Officer/Chief Finance Officer</p> <p>Autumn 2018</p>	IJB		
6.	Formally agreed assurance arrangements should include consideration of reporting lines and the flow of assurance including any officer and governance groups in place. The Assurance Framework is in development and should clearly set out these arrangements, including how assurance is drawn from constituent authorities internal control systems.	This work will flow from the work underway to agree the transfer of operational services by NHS Forth Valley.	<p>Chief Execs</p> <p>Chief Officer</p> <p>Autumn 2018</p>	IJB		




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7.	Workplans/reporting schedules should be developed for the IJB and its Standing Committees, showing when items of business require to be considered to deliver their purpose and remit of the IJB as well as any additional reporting agreed by members.	Agreed. This work is underway and indicative workplans have been provided for the Audit Committee and the Strategic Planning Group.  No update	Chief Officer	IJB	A	
<b>Audit</b>						
8.	Develop a system to monitor all audit recommendations and report on progress to the Audit Committee.	Agreed. FTF Internal Audit will put in place an Audit follow Up system.  FTF will maintain the AFU system for the IJB, in line with the standard AFU system which is currently under review. The first AFU report will be presented to the Falkirk IJB Audit Committee in September 2018.	Chief Internal Auditor December 2017	IJB Audit Committee	A	
9.	Ensure that the Audit Committee receive regular progress reports on delivery of the Internal Audit Plan.	Agreed. FTF Internal Audit will provide a progress report to each meeting of the Audit Committee, in line with the agreed timetable of meetings.	Chief Internal Auditor December 2017	IJB Audit Committee	G	




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		Progress reports were presented to each Audit Committee meeting in 2017/18 and this system will continue.				
<b>Planning &amp; Performance</b>						
10.	Self Assessments in relation to the four Audit Scotland reports; Health and Social Care Integration (December 2015); Changing Models of Health And Social Care (March 2016); Social Work in Scotland (September 2016); NHS in Scotland (October 2016), were presented to the IJB Audit Committee in February and March 2017. Action plans should be developed from the self assessments, including identification of lead officers and timescales. Implications in relation to the recommendations should be considered as part of future delivery planning for the partnership.	Agreed. The self assessments will be reviewed and where appropriate action plans developed.  No further work has been undertaken on these reports. However, all future reports will be the subject of a review an appropriate action plan developed.	Will be confirmed as part of the reviews.			
11.	As highlighted in the Chief Officers report to the 30 March 2017 IJB, the Local Delivery Plan for the implementation of the Strategic Plan was scheduled to be presented to the June 2017 IJB meeting. However, to allow incorporation of work on whole system mapping and medium term planning, it was agreed that the Local Delivery Plan would be presented to a later IJB. Interim updates should be provided to the IJB through the	Agreed. Work is underway to finalise the Local Delivery Plan for approval by the IJB.  Work is underway to review the Strategic Plan. This has been reported to the IJB and SPG and an	Chief Officer April 2019			






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	Chief Officer's report, including updates on the outputs from the logic modelling exercise.	indicative timetable will be presented to the June IJB. The revised Strategic Plan 2019 – 22 will be published by April 2019.				
12.	Complaints information on services is presented within the Performance Reporting Framework and further discussions are ongoing about monitoring arrangements for health and integrated functions where these relate to Falkirk residents. The IJB Model Complaints Handling Procedure was approved by the 16 June 2017 IJB.	<p>Since April 2017, the Social Work Adult Services Complaints Handling Procedure has been in place. The IJB CHP was also approved in June 2017.</p> <p>Social Work complaints information is included in the IJB Performance report. Further work is ongoing with NHS FV to report complaints that relate to in-scope functions, and these will be incorporated into the report to the Board.</p>	<p>Programme Manager</p> <p>October 2018</p>			
13.	Nationally, consideration is being given to the efficacy of current arrangements for delegating appropriate Large Hospital budgets, including set aside budgets, to Integration Authorities. A plan for Large Hospital Services specifically linked to the IJBs responsibilities in relation to unscheduled care should be developed and the IJB should be	<p>Agreed. This area will be taken forward in line with any emerging national guidance. Updates will be presented to the IJB.</p> <p>The work in respect of</p>	<p>Chief Officer/Chief Finance Officer</p> <p>Ongoing</p>			


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	kept informed of any further national guidance or policy.	<p>Unscheduled Care is linked to the integrated structures work noted above.</p> <p>A recent return to the Scottish Government has set out a process for review of set aside arrangements. This work will commence in Summer 2018 and be reported through the UCPB, Leadership Teams and IJB.</p>				
<b>Clinical &amp; Care Governance</b>						
14.	The role and remit of the Clinical and Care Governance Committee is under review and should be formally approved.	<p>Agreed.</p> <p>At the IJB meeting on 6 April 2018 the Board agreed the revised framework, terms of reference and Chair and Vice Chair for the new IJB committee for Clinical &amp; Care Governance. This will replace the Clinical &amp; Care Governance Group.</p> <p>A Clinical &amp; Care</p>	Chief Officer			

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		<p>Governance development session is scheduled for 1 August 2018. Future meeting dates have been set as:</p> <p>11 September 2018 6 December 2018</p>				
15.	Neither the CCGF nor the IJB's Performance Management Framework are prescriptive with regard to provision of clinical governance assurances and therefore Clinical & Care Governance responsibilities and lines of accountability between the parties and the IJB should be clearly documented, particularly in relation to delegated services.	<p>Agreed.</p> <p>This will be picked up by the Clinical &amp; Care Governance committee.</p>	CCG cme leads			
16.	Management should liaise with the parties to ensure that appropriate Clinical & Care Governance annual assurances are provided to them.	<p>Agreed.</p> <p>This will be picked up by the Clinical &amp; Care Governance committee.</p>	CCG cme leads			
17.	A clear, fully resourced plan to implement the CCGF should be put in place and monitored.	<p>Agreed.</p> <p>This will be picked up by the Clinical &amp; Care Governance committee.</p>	CCG cme leads			

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18.	The Clinical and Care Governance Framework refers to the Clinical Care Governance Group providing oversight, including review and scrutiny of 'Significant adverse events including significant case reviews. The Adverse Event Management system for the IJB should be agreed.	Agreed.  This will be picked up by the Clinical & Care Governance committee.	CCG come leads			
<b>Financial Governance</b>						
19.	There is a requirement to develop reporting in relation to set-aside budget.	Agreed. Discussions are ongoing with the IJB CFO section to look at the set aside budget, including reporting. There is also discussion taking place at a national level, involving the Scottish Government. The IJB will be kept informed of progress.  See action point 13.	Chief Finance Officer  Ongoing	IJB		
20.	Standing Orders scheduled for update in November 2016 should be reviewed and updated.	Agreed. These will be reviewed and any updated required will be presented to the IJB for approval.  A decision was taken to wait until the transfer of services from NHSFV before updating the Standing Orders.	Chief Officer/Chief Finance Officer  Autumn 2018	IJB		

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21.	The issuing of final 2016/17 directions to Falkirk Council and NHS Forth Valley was approved by the IJB on 19 June 2017. Current directions are high level and further consideration will be required, linked to development of medium term financial strategy, and will require to consider, where applicable, the Good Practice notes.	<p>New Directions were issued as part of the 2018/19 budget setting process.</p> <p>Some changes have been made to the Directions but they remain fairly high level. Governance advice has been to retain the Direction at this level. However, a national review of Directions is ongoing and changes may be made as a result of this review.</p> <p>Directions will be reported with each Finance report for 2018/19.</p>	<p>Chief Finance Officer</p> <p>April 2018</p>	IJB		
22.	Management should ensure that the job description for the CFO is in compliance with the CIPFA statement on the role of the CFO and a process should be put in place to demonstrate annual compliance with the CIPFA statement on the role of the CFO.	<p>The job description is in line with the CIPFA statement on the role of the CFO.</p> <p>The responsibilities of the CFO are set out in regard to the Annual Accounts</p>	<p>Chief Finance Officer</p> <p>June 2018</p>	Audit Cme		

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		<p>and this must be signed off by the CFO on an annual basis.</p> <p>It is not considered necessary for an annual compliance statement to be completed. However, the CFO will be required to highlight any areas of non-compliance through regular finance reports to the IJB or an exception report to the Audit Committee and/or IJB if required.</p>				
<b>Risk Management</b>						
23.	The revised Risk Management Strategy states that where an operational risk affects multiple units and/or requires more senior leadership, it should be escalated to the senior leadership group and proposed to be treated as corporate risks. This is a change to the previous Risk Management Strategy which stated that operational risks should be escalated to the parties CMT. Management should ensure that the Risk Management Strategy as a whole, and arrangements for management of operational risks in particular, are consistent with the Risk Management Strategies of the parties.	<p>The Risk Reporting Framework sets out how risks should be reported.</p> <p>Operational risks should initially be considered within the respective partner's leadership structure, and then (if appropriate) also reported to the HSCP Leadership Team.</p> <p>The process should</p>	TBC  Ongoing			

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		become more fluid and effective as the Leadership Team (and various sub groups) monitoring and reporting arrangements are embedded.				
24.	As reported to the March 2017 IJB, Lead Officers for each risk on the revised Strategic Risk Register had provided an update on their risks and should provide quarterly updates to the Leadership Group for monitoring and controls / mitigation, to the IJB Audit Committee for scrutiny and assurance and to the IJB Board for approval of the Strategic Risk Register.	<p>The Strategic Risk Register was considered and agreed by the Leadership Team in September 2017, and the IJB in October 2017.</p> <p>The Leadership Group should continue to review it at least quarterly, and provide updates to IJB Audit Committee and then the IJB at least 6-monthly.</p> <p>The Strategic Risk Register has been updated and this has been through the Leadership Team on 4 April 2018. The revised SRR will also go to the Audit Committee and then reported to the IJB.</p>	TBC  Ongoing			

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		There are difficulties in resourcing risk management work at present. NHSFV have committed to identifying an individual to take the lead on risk for Falkirk IJB.				
25.	As agreed by the March 2017 IJB, a Risk Improvement Plan should be developed by October 2017 and should be reviewed 6-monthly by the Leadership Group, with updates provided to the IJB Audit Committee and the IJB.	<p>A Risk Management Improvement Plan will be developed during 2017/18 and this will take account of good practice in other Integration Joint Board's.</p> <p>There are difficulties in resourcing risk management work at present. NHSFV have committed to identifying an individual to take the lead on risk for Falkirk IJB.</p>	TBC  TBC		