

## **Agenda Item 9**

# **Governance Statement Improvement Actions**



## Falkirk Integration Joint Board Audit Committee

3 December 2021

### Governance Statement Improvement Actions

#### For Noting

## 1. Executive Summary

- 1.1 This report provides an update on progress to implement a range of improvement actions identified through the annual governance statement and from various internal and external audit recommendations.

## 2. Recommendations

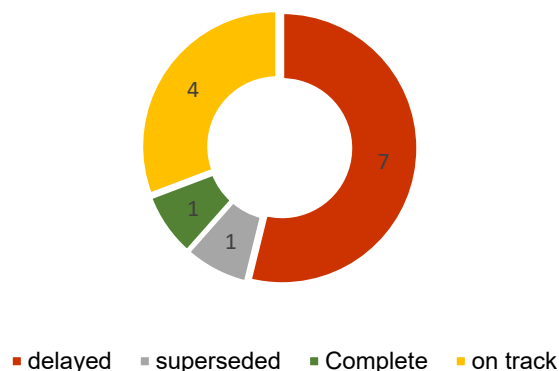
The Audit Committee is asked to:

- 2.1 Note the progress report on improvement actions.

## 3. Background

- 3.1 As part of the annual accounts, the governance statement identifies a range of improvement actions designed to enhance the IJB's governance arrangements and system of internal control (including recommendations from both internal and external audit).
- 3.2 In order to track progress against the action plan, it was agreed at the last Audit Committee meeting that a regular update would be provided as a standing agenda item from December 2021 onwards.
- 3.3 A total of 13 improvement actions have been identified (see appendix 1). It is clear that the ongoing impact of the pandemic has adversely affected achievement of several key actions and in some cases revised deadlines will required to be agreed by the audit committee. A high level summary of the current status of all 13 actions is presented below:

IJB governance statement improvement actions



## 4. Conclusions

- 4.1 Regular quarterly reports will be provided to all future audit committee meetings to update on progress to implement all outstanding improvement actions identified through governance statement (including internal and external audit recommendations as appropriate).

### Resource Implications

There are no resource implications arising from the report recommendations.

### Impact on IJB Outcomes and Priorities

The production and audit of annual accounts is a statutory requirement of the IJB.

### Directions

A new Direction or amendment to an existing Direction is not required as a result of the recommendations of this report.

### Legal & Risk Implications

There are no immediate legal or risk implications arising from the report recommendations. Provision of regular progress reports provides a means to monitor performance and to enable timely corrective action to be implemented (including escalation of issues as part of the IJB's risk management arrangements).

### Consultation

No consultation is required on this report. The audited accounts, including the annual governance statement are publicly available online.

### Equalities Assessment

There are no equality implications arising from the report recommendations.

## 5. Report Author

- 5.1 Jillian Thomson – Chief Finance Officer




## 6. List of Background Papers



- 6.1 N/A



## 7. Appendices



**Appendix 1:** IJB Governance Statement Improvement Action Status Report



## Governance Statement Improvement Actions Status Report

Ref	Improvement Action	Responsible Officer	Implementation Date	Current Status	Status
1	Implementation of statutory guidance regarding set aside services in collaboration with NHS Forth Valley and Clackmannanshire and Stirling IJB.	IJB CFOs, NHS Director of Finance	30 Nov 2021 (Overdue)  Revised implementation date: TBA by audit committee	<b>Delayed.</b> An expert working group was originally set up during 2019/20 (with dedicated external modelling and statistical support) to progress the set aside arrangements. However further activity scheduled for 2020/21 to conclude this work was delayed due to Covid and was carried forward to 2021/22.  The ongoing impact of the pandemic has delayed progress, however the working group has been reconvened. An initial meeting was held on 21 Oct 2021. Unlikely that work will be concluded by end November 2021 as planned.	
2	Implementation of the CIPFA Financial Management code.	Falkirk IJB Chief Officer; Falkirk Council Chief Executive and NHS Forth Valley Chief Executive	31 Mar 2022	<b>On track.</b> Self-assessment of IJB financial management arrangements against CIPFA recommended standards is underway and is expected to be complete by Dec 2021. The outcome and associated action plan will be reported and monitored via the Audit Committee.	
3	<b>Internal Audit:</b> review of risk management framework and how this is linked to those of partners (including partner resources to support IJB risk management)	Chief Officer, Chief Finance Officer, Falkirk Council Chief Executive and NHS Forth Valley Chief Executive	31 Mar 2021 (Overdue)  Revised implementation date of <b>31 Mar 2022</b> previously agreed by audit committee.	<b>On track.</b> The review of the IJB's risk management arrangements formed part of the 2020/21 Internal Audit Plan as agreed by the Audit Committee on 6 March 2020. However this was carried forward to 2021/22 due to the pandemic. The final report has now been received and will be considered by the audit committee in December 2021.	



Ref	Improvement Action	Responsible Officer	Implementation Date	Current Status	Status
4	<b>Internal Audit:</b> review of Directions – specifically the extent to which Section 3 (Process for Issuing Directions), Section 4 (Form and Content of Directions) and Section 5 (Process for Issuing and Revising Directions) of the Guidance are being applied.	Chief Officer and Chief Finance Officer	31 Mar 2021 (Overdue)  Revised implementation date of <b>31 Mar 2022</b> previously agreed by audit committee.	<b>On track.</b> The review of compliance with statutory guidance on Directions formed part of the 2020-21 Internal Audit workplan agreed by the Audit Committee on 6 March 2020. The field work, originally scheduled for late 2020-21, was delayed due to Covid and was carried forward to 2021-22.  The field work is expected to be carried out in the final quarter of 2021/22.	
5	<b>External Audit 2018-19 recommendation:</b> The IJB must ensure that key areas of performance are prioritised to deliver constituent improvement and pace. In addition, Partners must agree support service arrangements to provide additional resource and capacity for the IJB to deliver the Strategic Plan.	Chief Officer and Chief Executives IJB Board Members	31 Mar 2020 (Overdue)	<b>Delayed.</b> Implementation of the integrated management structure and recruitment of key posts has progressed well during the last 2 years.  Provision of corporate support arrangements are being considered during 2021/22 as part of the review of the Integration Scheme. However the review of the integration scheme has been delayed due to capacity constraints linked to current system pressures. <i>Suggest this has now been superseded by recommendation 12 below.</i>	

Ref	Improvement Action	Responsible Officer	Implementation Date	Current Status	Status
6	<b>External Audit 2018-19 recommendation:</b> Board members need to be clear about their corporate responsibilities to the IJB, and demonstrate the leadership needed to deliver the necessary change and make key decisions about the future shape of services.	IJB Board Members, Chief Officer and Chief Executives	31 Dec 2019 (Overdue)  Revised implementation date: TBA by audit committee	<b>Delayed.</b> To date, three externally facilitated collaborative leadership sessions have taken place in a bid to develop how the IJB and its constituent authorities can work together to accelerate integration and deliver the MSG Improvement Plan. Further work is required, however a series of follow up sessions for 2021/22 have been delayed due to Covid.	
7	<b>External Audit 2019-20 recommendation:</b> The IJB must review the 5 Year Financial Plan, and Strategic Plan, to respond to the impact of the global pandemic. This should include an assessment about the appropriateness and achievability of savings moving forward.	Chief Finance Officer	31 Mar 21 (Overdue)  Revised implementation date: 31 Mar 2022 proposed by CFO.	<b>On track.</b> The IJB's Medium Term Financial Plan was approved in December 2019. It will be revised during 2021-22 to reflect new financial planning assumptions, the refresh of the strategic plan and the recurring cost impact of Covid.	

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8	<b>External audit 2019-20 recommendation:</b> Falkirk IJB and partner bodies should take further steps to allow for full integration, in line with the expectation of the MSG and Audit Scotland. The MSG draft improvement plan should be finalised and follow up reports presented to the Board on a regular basis to allow for appropriate governance overview regarding integration.	Falkirk IJB Chief Officer, Falkirk Council Chief Executive and NHS Forth Valley Chief Executive	30 Jun 2021 (Overdue)  Revised implementation date: TBA by audit committee	<b>Delayed.</b> Improvement was made in a number of key areas during 2020-21. The IJB Chief Officer continues to work with the NHS CEO to progress the transfer the operational management of IJB functions into the HSCP. However it is recognised that the overall pace of change remains slow and further work is necessary to achieve full integration. Work to progress this during 2021/22 has been delayed due to the ongoing impact pandemic.	
9	<b>External Audit 2019-20 recommendation:</b> The IJB should ensure that risk sharing is embedded into the integration scheme which is due to be formally reviewed by November 2020. This will allow for longer-term financial management.	Falkirk Council Chief Executive and NHS Forth Valley Chief Executive	30 Sept 2021 (Overdue)  Revised implementation date: TBA by audit committee	<b>Delayed.</b> The Integration Scheme was due to be reviewed by November 2020 in line with legislative requirements. However, this was delayed to Covid. A working group has been established to take his forward, however September deadline has been missed.	

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10	<b>External Audit 2019-20 recommendation:</b> The IJB should conduct a self-assessment against Best Value guidance to allow it to demonstrate to the Board key requirements are in place. Results can be considered in conjunction with the MSG integration improvement plan to further embed integration with the partnership.	Falkirk IJB Chief Officer, Falkirk Council Chief Finance Officer and NHS FV Chief Officer	30 June 2021 <b>(Overdue)</b>  Revised implementation date: TBA by audit committee	<b>Delayed.</b> Due to the impact of the pandemic, it was agreed that work in this area will be undertaken during 2021-22 supported by External Audit.	
11	<b>External Audit 2020/21:</b> The IJB and its partners must ensure that planning and operational management responsibility is transferred for remaining services (including Primary Care), to allow the benefits of integration to be achieved.	IJB Chief Officer and NHS Forth Valley Chief Executive	31 March 22	<b>Delayed.</b> A number of service areas have not yet transferred to the IJB, discussions are ongoing with the Chief Officer and Chief Executive of NHS Forth Valley.  In terms of hosting arrangements, a pan Forth Valley wide finance group was set up during 2020-21 to review area wide health services and consider hosting arrangements in conjunction with Clackmannanshire and Stirling IJB.  Delays reflect the impact of significant operational pressures which are currently being experienced across the whole health and social system. This has required key staff to focus on the immediate response.	



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12	<b>External Audit 2020/21:</b> The IJB should ensure that the revised integration scheme establishes arrangements for key support areas.	Falkirk IJB Chief Officer, Falkirk Council Chief Finance Officer and NHS FV Chief Officer	30 Sept 2021 (Overdue)  Revised implementation date: TBA by audit committee	<b>Delayed.</b> The Integration Scheme was due to be reviewed by November 2020 in line with legislative requirements. However, this was delayed to Covid. A working group has been established to take his forward, however September deadline has been missed.	
13	<b>External Audit 2020/21:</b> Key decisions should be supported by an optional appraisal or financial analysis.	Chief Officer & Chief Finance Officer	30 Sept 2021	<b>Complete.</b> Report templates include standard headings to ensure all relevant information is presented to IJB members to inform decision making. However, it is important to strike an appropriate balance between the level of detail provided in publicly available documents compared to internal management information and analyses.	

#### Key rating

no change



On track



delayed

