

# **Agenda Item 8**

## **Governance Statement Improvement Actions**



# Falkirk Integration Joint Board Audit Committee

2 December 2022

## 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 improvement actions, the Audit Committee previously agreed that a regular update would be provided as a standing agenda item.
- 3.3 A number of common improvement action themes were noted at the September 2022 Audit Committee, such as the Integration Scheme actions, and a revised format is included below which groups common themes and reassesses actions to ensure they remain relevant to the current operating environment. The revised list also includes new actions emerging from the 2021/22 annual accounts audit process.

#### 4. Current Position

- 4.1 Improvement actions have now been grouped into 4 broad categories. These are listed below with additional detail contained in Appendix 1:
- Progress with Integration Scheme / MSG Self-Assessment;
  - Implementation of the CIPFA Financial Management code;
  - Audit Committee self-assessment against good practice principles;
  - Other Internal & External Audit Reviews.

- 4.2 For each broad category the current position is noted in Appendix 1 together with a target completion date for the category. A column has been added to show RAG status – this is in respect of the target completion date, with Green indicating expected completion is in line with original timeline, Amber indicating some slippage in target completion, Red indicating significant slippage in target completion date. The Comments column adds context to the RAG rating. It is anticipated that the inclusion of a RAG rating will increase the visibility of changes to target completion date.
- 4.3 Overall, there has been good progress recently with the Risk Management Action Plan and further meetings to progress Integration Scheme actions. There has been limited or no progress in other areas, linked both to capacity challenges and / or while awaiting completion of associated tasks elsewhere. The management team are currently progressing options to address capacity challenges in what remains a challenging operating environment.

## 5. Conclusions

- 5.1 Regular quarterly reports will be provided to all future audit committee meetings to update on progress to implement outstanding improvement actions identified through the 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.

## **6. Report Author**

6.1 Steven Kirkwood– Chief Finance Officer

## **7. List of Background Papers**

7.1 N/A

## **8. Appendices**

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

## Appendix 1: Governance Statement Improvement Actions Status Report

Ref	Improvement Action	Current Position	Target Date	RAG Status	Comments
1	Progress with Integration Scheme / MSG Self-Assessment	<p>Progress was previously reported with the transfers of administrative staff based in community healthcare settings and Medical Staff for relevant specialities. Due diligence is required for associated budgets.</p> <p>Primary Care, Mental Health and Health Improvement transfers and hosting arrangement discussions are ongoing.</p> <p>Baseline set aside activity metrics have been discussed and will progress during 2022/23 and into 2023/24.</p> <p>Provision of corporate support arrangements from both partners will be considered as part of the review of the Integration Scheme.</p> <p>Risk sharing arrangements to be agreed and clearly defined as part of the review of the Integration Scheme.</p> <p>Refresh self-assessment against the Ministerial Strategic Group (MSG) recommendations, prepared in May 2019.</p>	June 2023	Amber	<p>Recent progress has been made in a number of areas however RAG status reflects slippage in overall timescales.</p> <p>Some of the remaining actions require to be addressed urgently, e.g. Risk Share, while others such as baseline activity now have extended timelines.</p> <p>Note: Approval of a revised Integration Scheme is a lengthy process requiring consultation.</p>
2	Implementation of the CIPFA Financial Management code	Self-assessment of IJB financial management arrangements against CIPFA recommended standards is underway.	March 2023	Amber	Timescales have slipped due to capacity challenges.

Ref	Improvement Action	Current Position	Target Date	RAG Status	Comments
3	Audit Committee self-assessment against good practice principles.	This was a 2021/22 annual accounts external audit recommendation. Evaluation against CIPFA's 'Good Practice Audit Committees Principles Checklist' or 'Evaluation of Effectiveness Toolkit' to be progressed.	March 2023	Green	Not yet started but still planned within original timescales.
4	Other Internal & External Audit Reviews	<p>Risk Management - Interim RM policy and annual performance report were presented to the Sept Audit Committee. Training requirements, risk appetite and final risk management policy are progressing broadly as planned.</p> <p>Directions – Action Plan is in progress and Directions are issued quarterly, following IJB Board approval however the level of detail recommended in the Internal Audit review is yet to be reached due to capacity challenges that are not likely to abate until the revised management structure is implemented.</p> <p>Resilience &amp; Business Continuity – Internal Audit recommendations and management Action plan were presented to the Sept 2022 Audit Committee.</p> <p>The IJB Medium Term Financial Plan – will be prepared after the annual Business Case (Nov IJB meeting) and following the new, 3-year Strategic Plan. Previous timescales were not realistic.</p>	<p>Sept 2023</p> <p>June 2023</p> <p>June 2023</p> <p>March 2023</p>	Amber	There has been good progress in a number of areas and plans remain on track for Risk Management however other timescales have slipped due to capacity challenges and awaiting actions elsewhere. Accordingly RAG status is Amber due to areas of slippage.