

Agenda Item 8

Governance Statement Improvement Actions



Falkirk Integration Joint Board Audit Committee

1 March 2024

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 report 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.

4. Current Position

- 4.1 Improvement actions are grouped into 3 broad categories. These are listed below with additional detail contained in Appendix 1:
- Progress with Integration Scheme / MSG Self-Assessment;
 - 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. The RAG status 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.

- 4.3 Since the previous Audit Committee and in response to the NHS Forth Valley escalation improvement actions the NHS Chief Executive and the Chief Executives for Falkirk , Clackmannanshire and Stirling councils have agreed to review the IJB Integration scheme together. The Head of Governance for Falkirk council is leading the project team with representatives from each of the organisations and support from the HSCPs. External expert support has been commissioned to deliver the revised schemes. The project team has met and drafted a timeline for agreement with the chief executives. The RAG rating has been changed to Amber to reflect the progress.
- 4.4 As advised in the November report, Internal Audit have prepared an Audit Plan for 2024-25 and this is included as a separate report provided in the pack for the Committee.

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

EPIA Reference: 00481

An initial EPIA has been completed. This report provides an update on/overview of governance statement improvement actions including internal

and external audit recommendations. The report asks the Board/Committee/SLT to note progress on improvement actions. The Board/Committee/SLT are not being asked to make a decision which will impact on people. Therefore, a full EPIA is not required.

Should any changes be made to the policies, procedures or services detailed within the report, a full EPIA may be required.

This initial EPIA will be kept under review.

6. Report Author

6.1 Mark Fairley, Interim Chief Finance Officer

7. List of Background Papers

7.1 N/A

8. Appendices

Appendix 1: IJB Governance Statement Improvement Actions Status Report

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Ref	Improvement Action	Current Position	Target Date	RAG Status	Comments
1.	Progress with Integration Scheme / MSG Self-Assessment	<p>Medical Staffing budget transfers which took place during 2022/23 will now be incorporated into the wider due diligence requirement from more recent transfers (below).</p> <p>Operational management of Primary Care, Mental Health and Health Improvement have transferred to HSCPs and a new Head of Service for Primary Care and Out of Hours Service Manager has been recruited. Other requirements may arise from the associated due diligence exercise.</p> <p>Baseline set aside activity metrics have not progressed recently and require to be progressed during 2024-25</p> <p>Corporate support arrangements from both partners remain part of the current review of the Integration Scheme. The IJB management team are actively reviewing the range of support required. The corporate services are largely managed within the partner organisations and therefore engagement, availability and management rules remain to be firmed up.</p> <p>Risk sharing arrangements were agreed for 2022/23 and longer-term risk sharing arrangements are progressing as part of the review of the Integration Scheme. Chief Finance Officers from all 3 partners have held a series of meetings to produce a first draft of the Finance Section of the Integration Scheme. A final meeting is required to review the new draft</p>	T.B.C.	Amber	The joint Chief Executive Officers have established a clear and supported plan, with timescales, regarding the Integration Scheme and therefore the RAG rating has been amended to Amber. Nevertheless, there remain a number of detailed workstreams which need closed off.

Ref	Improvement Action	Current Position	Target Date	RAG Status	Comments
		<p>before presenting this for consideration by Chief Execs/ Chief Officer as part of the wider Integration Scheme review.</p> <p>In terms of the wider Integration Scheme review, the Chief Executive Officers have agreed to work collaboratively to complete the reviews and have identified external support to support progress and completion.</p> <p>The Head of Governance for Falkirk council is leading the project team with representatives from each of the organisations and support from the HSCPs. External expert support has been commissioned to deliver the revised schemes. The project team has met and drafted a timeline for agreement with the chief executives.</p> <p>The Senior Management Team has reviewed the self-assessment against the Ministerial Strategic Group (MSG) recommendations, first prepared in May 2019 and this was presented at the Board Development Session on 25 August 2023 for review. The Chief Officer report to the September IJB Board meeting noted that further work on HSCP priorities will be undertaken with the Board, Strategic Planning Group and Senior Leadership Team and a paper will be presented to a future meeting for consideration.</p>			

Ref	Improvement Action	Current Position	Target Date	RAG Status	Comments
2.	Audit Committee self-assessment against good practice principle	<p>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.</p> <p>The Internal Audit Plan for 2023/24 includes audit support for the internal assessment checklist.</p>	March 2024	Amber	No change to timelines since the previous Governance Statement Improvement Actions report.

3.	Other Internal & External Audit Reviews	<p>2022/23 External Audit Report The previous report referred to the external audit report which included 7 recommended improvement actions, each of which was summarised and commented on.</p> <p>The service delivery models continue to be under review as part of the 2024-25 business case process. Identification of savings required to achieve financial sustainability continues to be a challenge.</p> <p>Formal assurances from Partner bodies, specifically referring to internal control and governance, continue to be pursued.</p> <p>The IJB has completed a self-assessment against the CIPFA Financial Management Code.</p> <p>Corporate support arrangements continue to be reviewed.</p> <p>Processes are now in place to support the development of the Strategic Plan</p> <p>The work to ensure the Audit Committee Self-assessment process is being developed</p> <p>The work to review IJB Self-assessment against the Ministerial Strategic Group recommendations is being developed</p> <p>The Internal Audit plan has been aligned to IJB requirements to minimise duplication in effort and focus.</p>	<p>31st March 2024</p> <p>31st July, 2024</p> <p>Complete</p> <p>31st March, 2024</p> <p>Complete</p> <p>31st March, 2024</p> <p>31st March, 2024</p>	Amber	Although a number of the points included in the previous report have been addressed, some others remain in an early/in-progress position and therefore the risk rating has been amended to Amber
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		<p>The External and Internal Audit recommendations re Assurance are slightly different but, in order to streamline and simplify reporting, progress will be reported against the internal audit report Assurance item in future. This has a long target date as it will only be completed during next year's annual accounts.</p>			
		<p>Risk Management - The annual performance report was presented to the June 2023 Audit Committee and this included progress and next steps on the Risk Management Action Plan.</p>	<p>March 2024</p>	<p>Amber</p>	<p>During 2023/24 the Chief Finance Officer confirmed that the plan was being implemented and that sufficient progress had been made to change the risk management assurance level from limited to reasonable assurance. Work commenced during 2023/24 on e.g. risk appetite, deep dives, training and operational risk reviews. Risk work needs to be taken forward during 2024/25 and revised dates have still to be agreed.</p>
		<p>Resilience & Business Continuity – 7 Internal Audit recommendations and a management Action plan were presented to the Sept 2022 Audit Committee. All 7 recommendations remain outstanding with limited progress due to capacity constraints, other than progress towards the new corporate business continuity system and some underlying, housekeeping improvements. The Business Management Co-ordinator will now support implementation of the Action Plan and is developing revised timelines, targeting June 2024 completion.</p>	<p>June 2024</p>	<p>Red</p>	<p>Work has been done e.g. winter planning; however this needs to be taken forward during 2024/25 and revised dates have still to be agreed.</p>

		<p>2022/23 Internal Audit Annual Assurance report - was presented to Audit Committee in June 2023 and included 7 recommendations concerning gaps in governance arrangements, annual assurances, risk management, clinical and care governance, workforce, directions and savings. Management responses were previously produced for 6 of the 7 recommendations. The management response for the 7th recommendation has been incorporated into the final report and was circulated to all Board members on 7 November 2023. Progress will be reported to Audit Committee via this Governance Improvement Actions standing committee report.</p>	Various / TBC	Green	The 7 th management action has now been incorporated into the final report and circulated to Board members.