



Item No: 8

Meeting Date: Wednesday 24th June 2020

Glasgow City Integration Joint Board

Report By: Chief Internal Auditor for the Integration Joint Board

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ANNUAL GOVERNANCE STATEMENT 2019/20

Purpose of Report:	To present to the Integration Joint Board the Annual Governance Statement for the Glasgow City Integration Joint Board for 2019/20.
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Background/Engagement:	The Integration Joint Board is required to comply with Article 7 of the Local Authority Accounts (Scotland) Regulations 2014. The regulations require a local authority to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.
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Recommendations:	The Integration Joint Board is asked to: a) approve the Annual Governance Statement; and b) direct the Chief Officer, Finance and Resources, to include this statement in the Unaudited Annual Accounts.
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Relevance to Integration Joint Board Strategic Plan:

To provide assurance on various aspects of the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	None
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Personnel:	None
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Carers:	None
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Provider Organisations:	None
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Equalities:	None
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Fairer Scotland Compliance:	None
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Financial:	None
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Legal:	The IJB will be compliant with: - The Integrated Resource Advisory Group guidance in relation to audit provision. - The Local Authority Accounts (Scotland) Regulations 2014
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Economic Impact:	None
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Sustainability:	None
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Sustainable Procurement and Article 19:	None
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Risk Implications:	None
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Implications for Glasgow City Council:	None
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Implications for NHS Greater Glasgow & Clyde:	None
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Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	✓
	2. Glasgow City Council	
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	

ANNUAL GOVERNANCE STATEMENT

1. Scope of responsibility

- 1.1 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.
- 1.2 In discharging these responsibilities, the Chief Officer has a reliance on the NHS and Local Authority's systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.
- 1.3 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*". 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.

2. Purpose of the governance framework

- 2.1 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.
- 2.2 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.

3. Governance Framework

- 3.1 The Board of the IJB comprises the Chair and 15 other voting members; eight are Council Members nominated by Glasgow City Council and eight are Board members of NHS Greater Glasgow and Clyde. 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 and service users. Professional members include the Chief Officer and Chief Officer, Finance and Resources. The IJB, via a process of delegation from NHS Greater Glasgow and Clyde and Glasgow City Council, and its Chief Officer has responsibility for the planning, resourcing and operational delivery of all integrated health and social care within its geographical area.
- 3.2 The main features of the IJB's system of internal control are summarised below.
- The overarching strategic vision and objectives of the IJB are detailed in the IJB's Corporate Statement which sets out the key outcomes the IJB is committed to delivering with its partners, as set out in its Strategic Plan and Annual Financial Statement.
 - Services are able to demonstrate how their own activities link to the IJB's vision and priorities through their Corporate Improvement Plans.
 - Performance management, monitoring of service delivery and financial governance is provided by the Finance, Audit and Scrutiny Committee which reviews and reports on the effectiveness of the integrated arrangements including the financial management of the integrated budget and scrutinises progress with key pieces of work.
 - The IJB has a comprehensive performance management framework in place which ensures there is regular scrutiny at senior management, committee and Board levels. Performance is linked to delivery of objectives and is reported quarterly to the IJB. Information on performance can be found in the Annual Performance Report published on the IJB website.
 - The Participation and Engagement Strategy 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 and through existing community planning networks. The IJB publishes information about its performance regularly as part of its public performance reporting. The Public Engagement Committee approves and keeps under review the Participation and Engagement Strategy.
 - The IJB operates within an established procedural framework. The roles and responsibilities of Board members and officers are defined within Standing Orders, Scheme of Delegation, Financial Regulations and Standing Financial Instructions; these are scheduled for regular review.

- Effective scrutiny and service improvement activities will be supported by the formal submission of reports, findings and recommendations by the external auditors, Inspectorates and the appointed Internal Audit service to the IJB's Senior Management Team, the main Board and the Finance, Audit and Scrutiny Committee.
- 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 Partnership by the Health Board and Local Authority and resources paid to its local authority and health service partners.
- Responsibility for maintaining and operating an effective system of internal financial control rests with the Chief Officer, Finance and Resources. 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 the system is undertaken by managers within the IJB.
- The IJB's approach to risk management is set out in the risk management strategy, the risk management policy and the Corporate Risk Register. Regular reporting on risk management is undertaken and reported annually to the Senior Management Team and Finance, Audit and Scrutiny Committee.
- Committee members observe and comply with the Nolan Seven Principles of Public Life. Arrangements are in place to ensure Board members and officers are supported by appropriate training and development.
- Staff are made aware of their obligations to protect client, patient and staff data. The NHS Scotland Code of Practice on Protecting Patient Confidentiality has been issued to all staff.
- Staff are also required to undertake annual mandatory training on information security.

4. Compliance with best practice

- 4.1 The IJB complies with the CIPFA Statement on *"The Role of the Chief Financial Officer in Local Government 2010"*. The IJB's Chief Officer, Finance & Resources has overall responsibility for the IJB's financial arrangements and is professionally qualified and suitably experienced to lead the IJB's finance function and to direct finance staff.
- 4.2 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 generally operates in accordance with the CIPFA *"Public Sector Internal Audit Standards 2013"*.

4.3 The IJB's Finance, Audit 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*.

5. Review of Adequacy and Effectiveness

5.1 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.

5.2 The review of the IJB's governance framework is supported by processes within Glasgow City Council and NHS Greater Glasgow and Clyde. Within Glasgow City Council a self-assessment governance questionnaire and certificate of assurance is completed by all Service Directors on an annual basis. The responses to these are considered as part of the review of the Council's governance framework. A similar process is in operation within NHS Greater Glasgow and Clyde where Service Managers are provided with a "Self Assessment Checklist" to complete and return as evidence of review of key areas of the internal control framework. The Senior Management Team then consider the completed evaluations and provide a Certificate of Assurance for their services.

5.3 Due to the requirement to re-direct staff capacity to the provision of critical services in response to the Covid-19 pandemic it has not been possible to complete the annual governance self-assessment activity above at the time of writing. However a detailed partially complete self-assessment governance questionnaire has been submitted to the Council on behalf of the IJB for consideration. The return to the Health Board has been completed in full.

5.4 Due to the nature of IJB Board Membership, a conflict of interest can arise between an IJB Board Member's 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.

5.5 The arrangements continue to be regarded as fit for purpose in accordance with the governance framework with the exception of the issue noted above.

ANNUAL GOVERNANCE STATEMENT (continued)

6. Significant governance issues

- 6.1 The IJB has confirmed that there are no new significant governance issues that require to be reported specific to the IJB for 2019/20 taking into consideration the views of the Chief Internal Auditor and other assurance checks which are completed.
- 6.2 From March 2020 the governance context in which the IJB operates has been impacted by the need to implement business continuity processes in response to the significant public health challenge presented by the Covid-19 pandemic. The planning and delivery of health and social care services has had to adapt to meet this challenge and the IJB has had to adapt its governance structures accordingly.
- 6.3 In response to the pandemic and the requirement to move quickly and decisively to manage the subsequent pressures on health and social care services in the City, the IJB approved and initiated temporary decision making arrangements at its meeting on [Wednesday 25 March 2020](#). The temporary arrangements will be in place for as long as is necessary, subject to ongoing review.
- 6.4 Under these temporary arrangements authority is delegated, if required to meet immediate operational demand, to the Interim Chief Officer and the Chief Officer, Finance and Resources in consultation with the Chair and Vice Chair of the IJB and the Chair and Vice Chair of the Finance, Audit and Scrutiny Committee.
- 6.5 Any decisions made under temporary delegated authority are recorded in a Log that captures the approval timeline, with reports shared with IJB Members for information. All final reports are published on the [HSCP website](#) following approval for transparency.
- 6.6 Glasgow City IJB is working with partners to participate in the wider response to the pandemic at Health Board and national level and is a key participant in the Council family and Greater Glasgow and Clyde governance structures working with other HSCPs to manage the impact of the pandemic.
- 6.7 The HSCP has implemented new service areas in response to the pandemic, examples of which have included the establishment of an assessment centre to support assessment and testing of potential COVID-19 patients and the creation of a hub to support the distribution of PPE to our social care services and those delivered by the third and independent sector and personal assistants and carers.
- 6.8 With significant disruption to how health and social care services across the City are currently being delivered and experienced by service users, patients and carers likely to continue in the short to medium term, officers within the HSCP are developing plans to capture the extent of the shift from business as usual activity and ensure the IJB can

ANNUAL GOVERNANCE STATEMENT (continued)

continue to meet need and achieve the strategic priorities set out in the Strategic Plan. Planning activity takes into consideration the learning from the first phase of responding to the pandemic and engaging with and listening to key stakeholders in planning future service provision.

- 6.9 The financial impact of implementing the required changes to services and service delivery models (e.g. to support social distancing requirements, support staff with the appropriate protective equipment, and manage the new and changing levels of need and demand) is significant and likely to be ongoing and evolving. A detailed approval/decision tracker log is being maintained internally and scrutinised by senior management to record the details, including approval routes, of any decisions with financial implications for the IJB. This is supported by a mobilisation plan which has been approved by the Scottish Government, with discussions in relation to funding ongoing.
- 6.10 A vital element of the recovery planning activity being undertaken is learning from the interim changes put in place. The HSCP are actively seeking to understand the impact of the measures implemented and are engaging with service users to understand which could be retained or adapted to improve services and continue to meet individuals' outcomes. The IJB considers the innovative approaches and service alterations put in place out of necessity may present opportunities as we seek to re-start services within the new context in which health and social care services need to be delivered. In doing so the IJB will continue to follow appropriate governance structures and consider equalities and human rights requirements to ensure that from the current crisis emerges a more efficient and effective health and social care system that delivers on the priorities set out in the Strategic Plan.

7. Update on previously reported governance issues

- 7.1 There has only been one significant governance issue previously reported specific to the IJB, in relation to financial planning. Significant uncertainty over the IJB budget for 2017/18 improved slightly in 2018/19 but arose again in 2019/20. In 2019/20 the Board accepted the recommendation by the Chief Officer, Finance and Resources to accept the allocation from Glasgow City Council subject to the joint development of a financially sustainable solution for both Homecare and Housing First by September 2019. The Board also accepted the Chief Officer, Finance and Resources, recommendation to conditionally accept the indicative funding allocation from NHS Greater Glasgow and Clyde, subject to confirmation in April 2019.
- 7.2 A similar theme continues in relation to the ongoing funding allocation to the IJB. At its meeting in March 2020, the Board further considered a report on the financial allocations and budget for 2020/21 noting that a financially sustainable solution for Homecare has yet to be agreed with Glasgow City Council. The Board accepted the recommendation to conditionally accept the funding offer from the Council on the basis that funding of Homecare Services continues to be discussed with Glasgow City Council. The indicative funding offer from NHS Greater Glasgow and Clyde was conditionally accepted subject to confirmation in April 2020.

8. Future Activity

- 8.1 In November 2018 Audit Scotland published the results of the second of three national performance audits of health and social care integration following the introduction of the Public Bodies (Joint Working) (Scotland) Act 2014. The audit examined the impact public bodies are having as they integrate health and social care services. It made nine recommendations that were directly relevant to Glasgow City HSCP within six topic areas:

- commitment to collaborative leadership and building relationships;
- effective strategic planning for improvement;
- integrated finances and financial planning;
- agreed governance and accountability arrangements;
- ability and willingness to share information;
- meaningful and sustained engagement.

ANNUAL GOVERNANCE STATEMENT (continued)

- 8.2 In February 2019 the Ministerial Strategic Group for Health and Community Care published the results of a national review of progress of integration committed by the then Cabinet Secretary for Health and Sport in a Scottish Parliamentary debate in May 2018. The Ministerial Strategic Group made 25 'proposals' (that is, recommendations), of which 22 were for IJBs/HSCPs across the country. They too were in six topic areas:
- collaborative leadership and building relationships;
 - integrated finances and financial planning;
 - effective strategic planning for improvement;
 - governance and accountability arrangements;
 - ability and willingness to share information;
 - meaningful and sustained engagement.
- 8.3 The IJB at its meeting in February 2019 were presented with the findings of the two reports and considered and approved an initial draft action plan in response to the Audit Scotland report, whilst acknowledging further work required in the review of progress proposals made by the Ministerial Strategic Group.
- 8.4 Due to the subsequent overlap between the two reports, the IJB and Glasgow City HSCP, facilitated with support from the Improvement Service, progressed work with the two statutory partner bodies, Glasgow City Council and NHS Greater Glasgow and Clyde, to self-evaluate the progress of integration within Glasgow City. The self-evaluation aimed to identify areas where good progress has been made and where improvements need to be made against each of Ministerial Strategic Group recommendations.
- 8.5 An Improvement Action Plan was developed jointly with and approved by the IJB, Glasgow City Council and NHS Greater Glasgow and Clyde to take forward the development areas identified in the self-evaluation exercise. The Action Plan is kept under review with progress reported to the Board in September 2019.

9. Internal audit opinion

- 9.1 Internal Audit have completed their 2019/20 annual audit plan. No unsatisfactory audit opinions have been identified. As part of the work undertaken, Internal Audit identified improvements to the internal control environment, which have been accepted by management. Internal Audit will monitor the implementation of these improvements through future follow up audits.
- 9.2 The impact of Covid-19 in March 2020 was a significant event, impacting normal business operations and risk assessments. As a result of the changes to the working arrangements arising from the pandemic response, in March 2020 many of the expected systems and controls will have been subject to change. The opinion expressed in this report therefore applies only to the period before the emergency service delivery arrangements were put in place.
- 9.3 Based on the audit work undertaken, the assurances provided by the Chief Officers of the IJB, Executive Directors of Glasgow City Council Services, and the Senior Management Teams of services within NHS Greater Glasgow and Clyde it is the Chief Internal Auditor's opinion that reasonable assurance can be placed upon the control environment which operated during 2019/20 within the IJB for the period up to the impact of Covid-19 in March 2020. The 2020/21 internal audit plan is being updated to reflect the new risks and issues emerging from the pandemic and this will be reported to the Finance, Audit and Scrutiny Committee in due course.

10. Certification

- 10.1 Subject to the above, and on the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and action plans are in place to identify areas for improvement.

Susanne Millar
Interim Chief Officer

Cllr Mhairi Hunter
Chair