



Item No. 9

Meeting Date: Wednesday 4th September 2019

**Glasgow City
Integration Joint Board
Finance, Audit and Scrutiny Committee**

Report By: Chief Internal Auditor for the Integration Joint Board
Contact: Duncan Black
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REVIEW OF BOARD GOVERNANCE ARRANGEMENTS

Purpose of Report:	To present to the IJB Finance, Audit and Scrutiny Committee the main findings of the following audit report that was issued recently, together with a summary of action taken: <ul style="list-style-type: none">• Review of Board Governance arrangements.
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Background/Engagement:	The review was undertaken as part of the agreed 2018/19 Internal Audit Plan.
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Recommendations:	The IJB Finance, Audit and Scrutiny Committee is asked to: <ul style="list-style-type: none">a) note the content of the report; andb) recommend that the Head of Audit and Inspection submits a further report to the IJB Finance, Audit and Scrutiny Committee on the implementation of the actions contained in the attached Action Plan.
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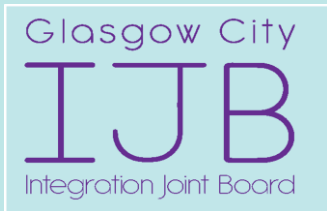
Relevance to Integration Joint Board Strategic Plan:

To provide assurance on various aspects of the Strategic Plan.

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Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	None
Personnel:	None
Carers:	None
Provider Organisations:	None
Equalities:	None
Fairer Scotland Compliance:	None
Financial:	None
Legal:	None
Economic Impact:	None
Sustainability:	None
Sustainable Procurement and Article 19:	None
Risk Implications:	None
Implications for Glasgow City Council:	The current internal auditors of the Council will continue to report to the Council on operational matters relating to Social Care services.
Implications for NHS Greater Glasgow & Clyde:	The current internal auditors of the NHSGG&C will continue to report to the NHS Board on operational matters relating to NHS services.



Glasgow City Integration Joint Board

Board Governance Arrangements

FINAL REPORT

Internal Audit
August 2019



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**Glasgow City Integration Joint Board
Governance Arrangements**

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Glasgow City Integration Joint Board Board Governance Arrangements

1. Introduction

1.1 As part of the agreed Internal Audit plan we have carried out a review of Board governance arrangements in place within the Glasgow City Integrated Joint Board (IJB).

1.2 Under the terms of the Integration Scheme, NHS Greater Glasgow and Clyde (NHSGGC) and Glasgow City Council (GCC) delegated most of their statutory functions in relation to social work and health within Glasgow City to the IJB. To assist in the discharge of its functions, the IJB has a Board and a number of Committees with defined powers. The scheme of delegation (SOD) provides a framework through which matters delegated to the IJB may be further delegated to Committees or Officers.

1.3 The scope of the audit was to gain assurance that the arrangements in place for the IJB Board and committees were appropriate in terms of the delegated decision making and arrangements in place. In addition the review sought to ensure that there is no overlap in the roles and responsibilities of the Board and Committees. The scope of the audit included:

- Reviewing the arrangements in place for the review and update of the scheme of delegation;
- Ensuring that roles and responsibilities of members of the IJB Board and committees were clearly documented and understood;
- Reviewing the arrangements in place in relation to declarations of interest;

- Reviewing the arrangements for agreeing reporting arrangements;
- Reviewing the delegated decision making levels in place;
- Ensuring that there are agreed escalation processes in place; and
- Reviewing plans in place for the periodic review and update of the committee arrangements in place.

1.4 We interviewed the Chair and Vice Chair of the Board and Committees, and the Chief Officer and other senior officers to discuss additional aspects of organisational culture. Their responses were considered as part of the overall analysis and reflected in the observations and opportunities for improvement.

2. Audit opinion

2.1 In the main, the outcome of the assessment indicates that generally the IJB Board is operating effectively. However there are some opportunities for improvement that should be considered to improve governance arrangements. An action plan is provided at section four outlining our observations and opportunities for improvement. We have highlighted four opportunities for improvement.

3. Key Messages

Role and remit of the Board and committees

3.1 The role of the Glasgow City IJB and its Committees are defined through the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act). Following a review of the committee structure in place, the work of the IJB Board is currently supported by two committees: the Finance, Audit and

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Scrutiny Committee, and the Public Engagement Committee, both of which have a defined terms of reference in place which provides a framework for committee responsibilities. The remit of the IJB Board is driven by the Act.

- 3.2 Generally, interviewees felt satisfied that the roles of the IJB Board and Committees are clearly defined and understood within the confines of the legislation in place, and that arrangements are in place to ensure committees report back effectively and promptly to the Board. However, interviewees recognised that there was a learning curve in place for new members and the level of understanding of their role was influenced by the amount of time a member had spent on the Board or committee and the individual's own skills and background knowledge. Interviewees generally agreed that they felt involved in major business developments to the right level of detail at the right time and it was generally felt that the Board sets out the organisational strategic aims robustly and effectively.
- 3.3 Interviewees recognised that the current committee structure had recently been subject to review and update although noted that it was too early in the process to effectively assess the success of the new structure in place. We found that, currently, formal arrangements have not been put in place to evaluate the effectiveness of this review (*recommendation 1*). A number of interviewees raised concerns that the respective roles and responsibilities between the IJB Board and the Finance, Audit and Scrutiny committee may become unclear, and the remit of the Finance, Audit and Scrutiny Committee may become unmanageable.

Size and composition of the Board

- 3.4 The composition for the IJB is determined by the Act, and the IJB Standing Orders (approved by the IJB Board in February 2016) provide guidance on the membership arrangements to be followed. Membership of the IJB reflects equal participation by GCC and NHSGGC members to ensure joint decision making and accountability with voting members of the Board nominated by GCC and NHSGGC. The Chair and Vice Chair will be appointed on an alternating basis by each partner organisation in line with the legislation in place.
- 3.5 Although interviewees considered that they have the necessary skills, knowledge and experience to undertake their role, they noted that there is no skills matrix in place to document this and identify any gaps in skills or knowledge that should be addressed. As Board appointments are made by GCC and NHSGGC, interviewees generally felt that there was limited visibility of the decision making process behind the nomination of new members to ensure skills or knowledge gaps were being addressed. As such, interviewees felt that there is not an effective process of succession planning in place for Board members, however, recognised that this was out-with the control of the IJB. However, it would be expected that any significant issues in relation to the overall skills / knowledge of parties being appointed to the IJB Board or its committees would be raised directly with the partner organisations.
- 3.6 Generally, interviewees felt that attendance and contribution levels at the Board meetings was positive although it was recognised that many of the members have competing commitments which may have a direct impact on both attendance levels and the ability to recruit new members

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(recommendation 1).

3.7 There is overall reasonable levels of attendance at Board meetings as illustrated in the table below:

Board Date	Members Attending		Apologies	Attendance Rate
	Voting	Non-Voting		
27/03/2019	13	14	4	87%
06/02/2019	14	15	4	88%
12/12/2018	13	11	9	73%
07/11/2018	14	13	6	82%
19/09/2018	12	15	4	87%
20/06/2018	14	11	7	79%
09/05/2019	13	14	6	82%

3.8 Although, generally, interviewees felt that the current structure for Board meetings was appropriate, some recognised that the significant size of Board meeting agendas had an impact on ensuring that sufficient discussion could take place on the papers being presented. It was however acknowledged that this was impacted by both volume and complexity of the areas being discussed (recommendation 1).

3.9 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. Documented procedures were in place to provide guidance to Board and committee members on the requirements for declaration of interest and evidence was in place to show declarations of interest being made. Some of

the interviewees raised concerns about the adherence to these arrangements and also around the appropriateness of the current arrangements in place, particularly in relation to what action should be taken when a potential conflict of interest declaration has been made. However, we found that the governance arrangements for declaration of interests are set out within the IJB code of conduct for members which is reflective of the Standard Commission’s Councillors Code of Conduct.

Leadership of the Board

3.10 In the main, interviewees felt that there was a healthy working relationship between the Board members, Chief Officer and wider Executive Management Team and that Board members had the confidence to challenge and scrutinise management and hold them to account.

3.11 Arrangements have been set out for the review of the Scheme of Delegation and we found that this had been complied with.

Organisational culture

3.12 Interviewees generally agreed the Board has a clear understanding of the purpose and values of the IJB and work hard to promote its identity.

3.13 Interviewees noted that organisational culture is not explicitly discussed in Board meetings but would be implicit in a number of the IJB Board discussions and may be referred to as part of a report issued for IJB Board review and within the development sessions offered to Board members.

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Information presented to the Board

- 3.14 Arrangements had been put in place for the scrutiny of committee papers at Board, Committee and management level which helps to ensure that the most appropriate audience is identified for reporting purposes. Interviewees were generally satisfied that the information they receive is timely, of high quality and provides sufficient opportunity for Board members to ask questions and for any sensitive issues to be highlighted and discussed.
- 3.15 Interviewees recognised that work has been undertaken to streamline the papers that are presented to the Board for review and decision making. However, some interviewees noted that other competing priorities had an impact on the level of time that could be spent reviewing the papers in advance of the meeting and that there was an opportunity to develop the content of the papers to avoid the duplication of information previously reported (*recommendation 1*).
- 3.16 Interviewees generally felt that the Board received appropriate data to allow them to monitor organisational performance and that the balance of time spent on financial and operational performance is appropriate. Interviewees also noted that the level of understanding of Board reports benefited from having key contacts in attendance at the Board meetings.
- 3.17 Interviewees were generally satisfied with the integrity of the financial controls and the systems of risk management in place. However, although interviewees were generally happy with their involvement in the risk management processes, some interviewees felt that they would like more input into the setting of the IJB's risk appetite (*recommendation 4*).

- 3.18 The agendas, papers and minutes of IJB Board and committee meetings are available on the Glasgow Health and Social Care Partnership (HSCP) website.

Performance

- 3.19 Board members are invited to attend periodic development sessions which provide opportunities for in depth assessment of issues and processes, and arrangements are in place to take forward any improvements identified through these sessions. Feedback received from interviewees on the development sessions was positive although it was recognised that time pressures had an impact on ability to attend.
- 3.20 Although all new Board members are offered a briefing session with the Chief Officer and provided with key training documentation, there is no formal induction process in place and, some interviewees felt that this may help enhance members' understanding of the process and key tasks that would be expected as a Board member (*recommendation 2*). We also found that, at the time of the review, there were no formal arrangements in place for the Board to evaluate its own performance with the introduction of this being welcomed by some of the interviewees. However, we were informed that this is expected to be taken forward as part of a review by the Ministerial Strategic Group for Health and Community Care being undertaken during 2019 (*recommendation 3*).

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Audit approach

- 3.21 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.22 We would like to thank Board members and officers involved in this review for their cooperation and assistance.
- 3.23 It is recommended that the Head of Audit and Inspection submits a further report to the IJB Finance, Audit and Scrutiny Committee on the implementation of the suggested areas for improvement contained in the attached Action Plan.

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4. Action Plan

Title of the Audit: Glasgow City Integration Joint Board – Board governance arrangements

No.	Observation and Findings	Recommendation / Opportunity for improvement	Management Response
1	<p>Although, generally, interviewees felt that the current structure for Board meetings was appropriate, some interviewees recognised that the significant size of Board meeting agendas had an impact on ensuring that sufficient discussion could take place on the papers being presented. It was however acknowledged that this was impacted by both volume and complexity of the areas being discussed.</p> <p>Some interviewees noted that other competing priorities had an impact on both attendance levels at meetings and also the level of time that could be spent reviewing Board papers in advance of the meeting and that there was an opportunity to develop the content of the papers to avoid the duplication of information that had been included in previous reports.</p> <p>A number of interviewees also raised concerns that the respective roles and responsibilities between the IJB Board and the Finance, Audit and Scrutiny Committee may become unclear, and the remit of the Finance, Audit and Scrutiny Committee may become unmanageable</p>	<p>The Chair of the IJB Board and Senior Management should implement arrangements to evaluate the effectiveness of the Committee and Board arrangements and take action where appropriate.</p>	<p>Response:</p> <p>Accepted. As new arrangements have just recently been adopted we will need to give some time operating in order to reflect if they are appropriate</p> <p>Officer Responsible for Implementation:</p> <p>Head of Business Development</p> <p>Timescale for Implementation:</p> <p>July 2020</p>

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	<p>Changes were made to the IJB committee structure following a review undertaken in December 2018. Although we were informed that feedback on the effectiveness of the new arrangements would be captured through the meeting structure, formal arrangements have not been put in place to evaluate the effectiveness of the new structure.</p> <p>This increases the risk that the new committee structure is not as effective as anticipated and that action is not taken to rectify this.</p>		
<p align="center">2</p>	<p>Although all new Board members are offered a briefing session with the Chief Officer and provided with key training documentation, there is no formal induction process in place.</p>	<p>Senior Management should implement a formal programme of induction for new Board members.</p>	<p>Response:</p> <p>Accepted, key documentation will be provided as an induction pack for new members. Introductory meetings with the CO will continue as part of the induction process and new members will also continue to be offered additional information, individual sessions with the Standards Officer and/or other appropriate officers dependant on members individual requirements for support.</p> <p>Officer Responsible for Implementation:</p> <p>Head of Business Development</p> <p>Timescale for Implementation:</p> <p>October 2019</p>

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<p>3</p>	<p>We found that there are no formal arrangements in place for the Board to evaluate its own performance. However it is expected that this will be taken forward as part of a review by the Ministerial Strategic Group for Health and Community Care being undertaken during 2019. This had not been completed at the time of the audit review.</p>	<p>The Chair of the IJB Board and senior management should put arrangements in place to ensure that improvements identified through the Ministerial Strategic Group review of the Board are considered and implemented where appropriate.</p> <p>Arrangements should be put in place to ensure that the effectiveness of the Board and Committees is subject to regular review</p>	<p>Response:</p> <p>Accepted: A self-evaluation process has already been completed by the IJB and by NHSGG&C and GCC. An action plan has been developed and activity in relation to the actions is already under way.</p> <p>Officer Responsible for Implementation:</p> <p>Chief Officer</p> <p>Timescale for Implementation:</p> <p>July 2020</p>
<p>4</p>	<p>Although there is a risk appetite statement, members felt that they were not sufficiently involved in the setting of the risk appetite for the IJB.</p>	<p>Going forward, management should review the arrangements in place for assessing the risk appetite for the IJB.</p>	<p>Response:</p> <p>Accepted, report to August 2019 Finance Audit and Scrutiny Committee to consider level of Risk Policy review required for 2019 – 2020. This will include consideration of risk appetite.</p> <p>Officer Responsible for Implementation:</p> <p>Head of Business Development</p> <p>Timescale for Implementation:</p> <p>February 2020</p>

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