

**Minute of Meeting of the  
East Renfrewshire Integration Joint Board  
Performance and Audit Committee  
held at 9.00am on 25 September 2019 in  
the Council Offices, Main Street,  
Barrhead**

**PRESENT**

Councillor Caroline Bamforth, East Renfrewshire Council (Chair)

Councillor Barbara Grant	East Renfrewshire Council co-opted Member
Anne Marie Kennedy	Non-voting IJB member
John Matthews	NHS Greater Glasgow and Clyde Board
Anne-Marie Monaghan	NHS Greater Glasgow and Clyde Board
Councillor Paul O’Kane	East Renfrewshire Council

**IN ATTENDANCE**

Lesley Bairden	Head of Finance and Resources (Chief Financial Officer)
Eamonn Daly	Democratic Services Manager (East Renfrewshire Council)
Candy Millard	Head of Adult Health and Social Care Localities
Michelle Blair	Chief Auditor, East Renfrewshire Council

**ALSO IN ATTENDANCE**

Elaine Barrowman	Audit Scotland
Aimee MacDonald	Audit Scotland

**DECLARATIONS OF INTEREST**

1. There were no declarations of interest intimated.

**MINUTE OF PREVIOUS MEETING**

2. The committee considered and approved the Minute of the meeting of 26 June 2019.

**MATTERS ARISING**

3. The committee noted a report by the Chief Officer providing an update on progress regarding matters arising from the discussions which took place at the meeting of 26 June 2019.

It was noted that since the previous meeting, a further 1 whole time equivalent Advanced Practice Physiotherapist had been recruited. As this was a recent appointment it was too early to see the impact but a further update would be brought to the committee in March 2020 when measurable data was available.

It was further noted that the audit actions report would be brought to the next meeting of the committee, reflecting the new action plan resulting from the audit of the 2018/19 annual report and accounts.

The committee noted the report and the additional information.

#### **INTERNAL AUDIT ANNUAL REPORT 2018/19 AND PROPOSED AUDIT PLAN 2019/20**

4. The committee considered a report by the Chief Auditor, East Renfrewshire Council, relative to the Chief Auditor's Annual Report for 2018/19 which contained an independent opinion on the adequacy and effectiveness of the governance, risk management and internal control systems operating within the IJB. A copy of the Chief Auditor's Annual Report accompanied the report as an appendix.

The report explained in summary that the Annual Report concluded that the IJB had adequate and effective internal controls in place proportionate to its responsibilities in the year ended 31 March 2019.

In addition, details of the proposed 2019/20 audit plan, for which approval was sought, were contained in the report.

The Chief Auditor was heard further on the report and confirmed that Internal Audit were satisfied that reasonable assurance could be placed on the control environment which operated in the East Renfrewshire Integration Joint Board.

Commenting on the proposed plan, Ms Monaghan welcomed the proposed review of risk management arrangements

The Chief Auditor having confirmed in response to a question from Ms Monaghan that there was adequate contingency available to deal with unforeseen matters during the year should they arise, the committee:-

- (a) noted the contents of internal audit's annual report 2018/19;
- (b) noted the annual assurance statement and the conclusion that the IJB had adequate and effective internal controls in place proportionate to its responsibilities in 2018/19; and
- (c) approved the proposed 2019/20 audit plan.

#### **AUDIT SCOTLAND REPORT**

5. The committee took up consideration of the external audit annual report for 2017/18, which summarised the findings arising from the 2018/19 audit of the IJB.

The report provided a number of key messages. These included that the auditor's report was unqualified; that the IJB had appropriate and effective budgetary processes in place with

budgetary processes providing timely and reliable information for monitoring financial performance; that a surplus of £0.528 million had been incurred in 2018/19 giving a total reserves balance of £5.337 million as at 31 March 2019; that medium-term financial planning detailed a funding gap of £3.1 million for 2019/20 with savings already identified to address this gap; .and that potential funding gaps could be up to £5.4 million per year or £16.2 million cumulatively over the period to 2023/24 depending on future funding levels.

Included in the appendices accompanying the report was an action plan which set out the proposed management action in respect of areas where recommendations had been made.

Councillor Bamforth introduced Elaine Barrowman and Aimee MacDonald from Audit Scotland.

Ms Barrowman having explained the background to the production of the report, Ms MacDonald then went through the report's key issues. These included that the report was unqualified, that there were no matters to be brought to the committee's attention, and that there were no misstatements or significant findings.

Ms MacDonald having referred to the 2019/20 recommendations for improvement contained in the action plan and having thanked the Chief Financial Officer and her team for their assistance in the preparation of the report, full discussion then took place.

Referring to comments in the report on EU withdrawal, Mrs Kennedy highlighted the significant role played by third sector organisations, in many cases with funding received from the EU, and that the report was silent on the potential impact on service delivery if third sector funding from the EU was reduced.

Discussion also took place on responsibility for service provision. In response to Councillor Grant, it was clarified that scheduled hospital admissions were the responsibility of NHS Greater Glasgow and Clyde (NHSGGC) whilst unscheduled admission responsibility lay with the HSCP. It was recognised that failure to deliver services either on a planned or unplanned basis could have adverse consequences for partner organisations.

Responding to comments from Mr Matthews, the Chief Financial Officer explained the structure of the Audit Scotland report. She confirmed that there had been a lot of discussion between Audit Scotland and officers from the HSCP in the production of the report.

Having commented on the proposed action in relation to a review of the Management Commentary, Ms Monaghan highlighted that the biggest concern continued to be the financial pressures facing the HSCP and questioned whether thought now needed to be given to the introduction of thresholds and/or eligibility criteria for care provision.

In reply the Chief Financial Officer reminded the committee that the 5 year medium-term financial plan had been considered in March and at that time had highlighted that service provision was based on settlement levels. She acknowledged that the cost of care packages was something that could be controlled through a review of eligibility criteria and that this may require further consideration in the future, depending on the prevailing financial circumstances.

Discussion also took place on the significant audit risks identified during planning in the course of which Ms Barrowman explained that the role of Audit Scotland was to examine the arrangements in place for the managing and reporting of risk, and confirmed that in this case Audit Scotland was satisfied that appropriate arrangements were in place.

She further clarified in response to Mr Matthews that any work carried out in relation to national policies and strategies would in most cases be led by Audit Scotland's Performance Audit or Best Value teams.

Thereafter the committee noted the report

### **ANNUAL REPORT AND ACCOUNTS 2018/19**

6. Under reference to the Minute of the meeting of 26 June 2019, the committee considered a report by the Chief Financial Officer seeking approval for the final annual report and accounts for the IJB for the period 1 April 2018 to 31 March 2019, following the external audit of the accounts. A copy of the annual report and accounts accompanied the report.

The report referred to the establishment of IJBs and the requirements, in accordance with Section 106 of the Local Government (Scotland) Act 1973, for annual accounts to be prepared in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom, and also to additional guidance produced by the Local Authority (Scotland) Accounts Advisory Committee.

Thereafter, the report explained that the annual report and accounts had been prepared in accordance with the relevant legislation and guidance, and that they were unqualified, met legislative requirements, had no significant issues and confirmed sound financial governance.

It was further explained that the key messages that had been highlighted when the unaudited accounts had been considered by the committee in June remained unchanged.

Commenting further, the Chief Financial Officer referred to the minor changes made to wording including further detail on care at home in the governance statement. Some presentation change to the reserves statement had also been made for ease of understanding and targets had been added to the performance information for context.

The Chief Financial Officer thanked staff for their efforts in producing the annual report and accounts.

Ms Monaghan referred to poor performance in relation to access to mental health services, and questioned why more was not being done taking into account that the accounts had shown an underspend on mental health service provision.

In reply the Chief Financial Officer acknowledged the poor performance, highlighting that the table referred to by Ms Monaghan contained all those services where it was recognised improvement was required. Furthermore, she explained the reasons behind the underspend, and that the format of the revenue budget monitoring report submitted to each meeting of the IJB had been amended to provide more information in relation to service expenditure.

The position regarding Bonnyton House was also outlined it being noted that service provision had not been maximised as the property was to be the subject of refurbishment. This was scheduled to commence early in 2020, following which service provision would be maximised. It was noted that the refurbishment would require the decant of residents and clients but that a satisfactory temporary accommodation solution had been identified.

Thereafter, the committee agreed that the audited annual report and accounts be remitted to the IJB for approval.

**PERFORMANCE UPDATE REPORT – QUARTER 1 2019/20**

7. The committee considered a report by the Chief Officer providing an update on progress against the strategic performance measures during the period 1 April to 30 June 2019.

Commenting on the report the Chief Financial Officer explained that due to timing issues from the various sources, only one third of the measures provided contained new data. As a result the normal “traffic light” performance summary had not been included but would be reintroduced for subsequent reports.

Thereafter the Chief Financial Officer was heard on the report. Comment was made on a number of performance highlights and other areas of strong performance as well as examples where further improvement was sought or where performance had declined.

Referring to waiting times for Children and Adolescent Mental Health Services (CAMHS) Mrs Kennedy enquired if the introduction of the Family Wellbeing Service had led to a drop in demand for CAMHS services. It was noted that this information could be provided.

Commenting on the “Notes and History” column of the performance report Ms Monaghan suggested that it would helpful to see more about timescales and targets. In reply, the Chief Financial Officer explained that the report was “backwards looking” and expressed concerns that adding further columns in relation to forward planning activity to the report could impact on the format and dilute its impact. Notwithstanding, discussions would take place to see if this could be achieved.

Full discussion also took place on absence levels. It was clarified that that NHSGGC and the HSCP used different methods for recording absence. Notwithstanding it was acknowledged that performance was not as strong as had been hoped and there was room for further improvement. In addition the age profile of the work force was highlighted along with the fact that in some cases absences were for a longer period in order not to potentially have an adverse impact on the health of clients. Absence costs both in financial and opportunity cost terms were considered by the senior management team and work was ongoing with officer from the Council’s Human Resources service to identify appropriate supports for staff.

It was further suggested that having some benchmarking information in the report in relation to absence levels would be useful.

The committee:-

- (a) noted the report;
- (b) noted that officers would review the report format with a view to forward planning and benchmarking information being included in future.

**IJB STRATEGIC RISK REGISTER UPDATE**

8. The committee considered a report by the Chief Officer providing an update on the Integration Joint Board Strategic Risk Register.

Having set out the risk matrix used to calculate risk scores, the report then provided further details in respect of those areas considered to be high risks, these being supported by additional information provided by the Head of Finance and Resources (Chief Financial Officer).

**10**  
**NOT YET ENDORSED AS A CORRECT RECORD**

The report explained that no risks had been removed since the last update on 26 June 2019 and although 4 risks had been updated, with a summary of the changes being provided, there had been no changes to any of the scores.

It was highlighted that financial sustainability remained high/red risk as last reported and that this was still considered red post-mitigation reflecting the current economy and unknown Brexit implications. There also remained the future year risk that the HSCP could become unsustainable due to one of a number of causes as set out in the report.

In addition it was noted that the In-House Care at Home Service and Failure of a Provider risks were scored at 9 after mitigation had been taken into account.

Commenting on the risk in relation to the Care at Home Service. Ms Monaghan questioned whether the description of the risk should be reviewed to reflect as a potential risk the implications of a failure to comply with the Care Inspectorate recommendations.

In response the Head of Adult Health and Social Care Localities confirmed that officers would reflect on that to determine whether or not a rewording was required.

The committee noted the report.

#### **CONTRACTS AND EXCEPTIONS UPDATE TO JUNE 2019**

**9.** The committee considered a report by the Chief Officer providing information about direct spend through the HSCP framework contracts; grant activities; and non-framework spend together with spend activity on national framework agreements. In addition, the report also provided information in relation to exceptions to ERC Contract Standing Orders along with business reasons for such exceptions.

In response to Ms Monaghan, the Chief Financial Officer confirmed that the introduction of Self Directed Support could potentially lead to an increase in off-framework spend. She explained that people who did self-manage would always be encouraged to purchase services through the framework agreements in place, but that purchasing services off-framework would always remain open to them.

The committee noted the report.

#### **DATE OF NEXT MEETING**

**10.** It was reported that the next meeting of the committee would take place on Wednesday 27 November 2019 at 9.00 am in the Eastwood health and Care Centre, Clarkston.

CHAIR