

**Minute of Meeting of the
East Renfrewshire
Integration Joint Board
Performance and Audit Committee
held at 10.00am on 28 September 2016 in
the HSCP Headquarters,
Giffnock**

PRESENT

Morag Brown, NHS Greater Glasgow and Clyde Board (Chair)

Councillor Alan Lafferty
Nanette Paterson

East Renfrewshire Council
Integration Lead, Independent Sector

IN ATTENDANCE

Ian Arnott
Lesley Bairden
Eamonn Daly

Finance Business Partner, HSCP
Chief Finance Officer
Democratic Services Manager (East
Renfrewshire Council)

Brian Howarth
Liz Lyon
Candy Millard
Ross Mitchell
Pamela Morrison
Julie Murray

Audit Scotland
Senior Auditor (East Renfrewshire Council)
Head of Strategic Services
Senior Auditor (East Renfrewshire Council)
Audit Scotland
Chief Officer

APOLOGIES

Councillor Ian McAlpine

East Renfrewshire Council

Prior to the commencement of the meeting the Chair welcomed Councillors Barbara Grant and Tommy Reilly, members of the Council's Audit & Scrutiny Committee who were observing proceedings.

DECLARATIONS OF INTEREST

1. There were no declarations of interest in terms of Standing Order 9.2 – Codes of Conduct and Conflicts of Interest.

MINUTE OF PREVIOUS MEETING

2. The committee considered and approved the Minute of the meeting of 29 June 2016.

MATTERS ARISING

3. The committee considered a report by the Chief Officer providing an update on progress regarding matters arising from the discussion which took place at the meeting of 29 June 2016.

In response to a question from Councillor Lafferty on locality arrangements it was confirmed that agreement had now been reached with GP practices in relation to the establishment and composition of GP clusters.

The committee noted the report and the additional information.

INTERNAL AUDIT ANNUAL REPORT 2015/16

4. The committee considered a report by the Chief Auditor, East Renfrewshire Council, relative to the Chief Officer's Annual Report for 2015/16 which contained an independent opinion on the adequacy and effectiveness of the internal controls operating within the IJB, together with brief details of work planned for 2016/17. A copy of the Chief Auditor's Annual Report accompanied the report as an appendix.

The report explained that in summary, 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 2016, except for payments to HSCP providers.

The report also explained that 15 audit days had been allocated against the IJB within the ERC Audit Plan as approved by the Council's Audit & Scrutiny Committee. Details of how the days were to be allocated were outlined.

Having heard Mr Mitchell further on the report to the effect that internal audit were satisfied that the required financial assurance and governance arrangements were in place except for payments to providers in respect of learning disability, Ms Brown referred to the good working arrangements in place between the internal and external auditor. She highlighted that the annual accounts were unqualified and reminded the committee that the issue of payments to providers had been frequently discussed at both the committee and the IJB. She further referred to the work that to address areas of concern and to the improved assurance measures that had been introduced.

Councillor Lafferty referred to the particular circumstances in the transition year and paid tribute to the Chief Financial Officer for developing financial governance for the HSCP.

Thereafter, having thanked the Chief Auditor for the work carried out by her service in relation to the HSCP, the committee:-

- (a) noted the contents of internal audit's annual report; and
- (b) noted the annual statement on the adequacy of internal control and the conclusion that the IJB had adequate and effective internal controls in place proportionate to its responsibilities in 2015/15 except for HSCP payments to providers; and
- (c) approved the planned work for 2016/17

EXTERNAL AUDIT ANNUAL REPORT 2015/16 AND ISA 260 REPORT

5. The committee took up consideration of the 2015/16 external audit annual report for 2015/16, which summarised the findings arising from the 2015/16 audit of the IJB.

The report provided a number of key messages including that the auditor's report was unqualified; that the immediate financial position was secure but that medium to long-term financial sustainability was uncertain; that effective governance arrangements were in place; that a 3-year Strategic Plan had been approved; and that an annual performance plan had been published which provided details of progress against performance targets set out in the Strategic Plan.

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.

In addition, the committee also considered a letter from Audit Scotland dated 13 September 2016 relative to the 2015/16 Annual Audit Report for the IJB. The letter referred to the requirement in terms of International Standard on Auditing (UK and Ireland) 260 (ISA 260) to report specific matters arising from the audit of the financial statements to those charged with the governance of a body in sufficient time to enable appropriate action. Included as appendices were copies of the proposed independent auditor's report, and a draft letter of representation (ISA 580) which had to be signed by the Chief Financial Officer along with the signed financial statements prior to the independent auditor's opinion being certified.

Ms Brown welcomed to the meeting Brian Howarth of Audit Scotland who was heard further on the terms of the report. He was heard further on the key messages referring in particular to the 2016/17 savings gap that needed to be addressed. He also commented on some of the issues in the action plan accompanying the report, in particular the timing of NHS financial planning and financial challenges facing the IJB.

Welcoming the positive report, Ms Brown highlighted the need for coherence in the budget setting process and to the ongoing representations being made regarding the harmonisation of budget setting processes in health boards and councils/HSCPs. In this regard the Chief Officer explained that the NHSGGC Director of Finance had attended a recent Chief Officers meeting and had indicated that efforts would be made to provide indicative figures in October. She also confirmed in response to comments from Councillor Lafferty on the recent Audit Scotland report on the challenges facing social work services that a report on the findings would be submitted to a future meeting of the IJB.

The Chief Officer also reported on her recent attendance at a meeting of the Scottish Parliament's Public Audit Committee when amongst other matters the committee had raised issues of budget timing, budgetary reductions and shifting the balance of care. Referring to this latter issue, Ms Brown acknowledged that whilst there were challenges in the acute sector, with the increased demand for community based services consideration needed to be given to a shift in resources to community services. Notwithstanding she referred to the ongoing commitment and ability of the public sector to continue to provide services within a challenging financial framework.

Having thanked Mr Howarth the committee noted the report

ANNUAL ACCOUNTS 2015/16

7. Under reference to the Minute of the meeting of 29 June 2016, 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 27 June 2015 to 31 March 2016, 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.

Amongst other things, the report also highlighted that the IJB's immediate financial position was secure, subject to plans to close the NHS financial savings gap in 2016/17, and that effective governance arrangements were in place, .

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. These were the successful part year operation of the HSCP from June 2015 to March 2016, with financial delegation as of 7 October 2015; the establishment of governance committees and associated frameworks; and that the first period of operation as an IJB had ended with free reserves of £272,000 and earmarked reserves of £869,000.

Commenting further, the Chief Financial Officer explained there had been no change to the bottom line financial position since it had been considered at the previous meeting.

Thanking the Chief Financial Officer and staff for the preparation of the accounts and for the development and introduction of new systems and processes, Ms Brown suggested that it may be helpful if a report on the use of reserves were submitted to a future meeting of the IJB. In reply the Chief Financial Officer reported that a report providing full details of the financial framework, which would include reference to the policy on the use of reserves, would be submitted to the meeting of the IJB in November.

The committee:-

- (a) approved the annual report and accounts;
- (b) authorised the Chair, Chief Officer and Chief Financial Officer to accept and sign the annual report and accounts on behalf of the IJB; ; and
- (c) noted that meeting timetables were being reviewed to allow future years' annual report to go to the IJB for final approval, following consideration by the Performance & Audit Committee.

AUDIT ACTIONS UPDATE

8. The committee considered a report by the Chief Financial Officer providing an update on progress in relation to the various actions to be undertaken in response to the internal audit report on payments to care providers; and the action plan for external audit recommendations in the 2015/16 East Renfrewshire Annual Accounts. Copies of both action plans were appended to the report. In addition, a further report being submitted to the Council's Audit & Scrutiny Committee on progress of financial developments within the HSCP, including the implementation of the Care Finance system, was also appended.

Commenting further, the Chief Financial Officer confirmed that of the 23 actions in the action plan in response to the internal audit report on payments to care providers, 10 were now closed off and there had been good progress on the remaining actions.

She also clarified that the actions in relation to the 2014/15 external auditor's report had now been assimilated into the actions in the 2015/6 report considered earlier.

Noting the significant work carried out and the ongoing relationship between the committee and the Council's Audit & Scrutiny Committee, Councillor Lafferty sought clarification of whether it would be possible for a member of the Council's Audit & Scrutiny Committee to be offered co-opted membership of the committee in response to which the Democratic Services Manager Daly confirmed that it was open to the committee to co-opt additional members if it chose to do so.

Thereafter the Chief Financial Officer was heard in response to questions from Ms Brown relative to the 3 risk areas and planned management actions identified in the Audit Scotland Key Controls report for 2015/16. She referred again to the actions in the action plan in response to the internal audit report on payments to care providers, and that the remaining outstanding actions were on track. She provided further details in relation to some of the ongoing work around CareFinance system access and segregation of duties, explained that reconciliations would be carried out on a quarterly basis and that with respect to Vetting Framework Agreements, these had been superseded by the new tendering process.

The committee:-

- (a) noted the progress report submitted to the Council's audit & scrutiny Committee
- (b) noted the progress to date against recommendations in the action plans; and
- (c) agreed that an offer of co-opted membership of the committee by a member of the Council's Audit & Scrutiny Committee be made.

PERFORMANCE DATA DICTIONARY

9. The committee considered a report by the Chief Officer providing a detailed list of performance indicators and measures in line with Integration Scheme requirements.

Having referred to the arrangements or performance reporting as set out in the Integration Scheme, and having referred to the report on agreed performance indicators for the HSCP considered at the meeting of the committee on 29 June, the report explained that the accompanying appendix set out the full Performance Data directory as set out in the Integration Scheme.

Referring to the report, the Head of Strategic Services explained that whilst final reporting would use ISD data, quarterly update reports used NHSGGC data which was more readily available. As a result, any updates did not provide information in relation to Hairmyres Hospital in East Kilbride as this lay outwith the health board area.

The committee noted the report.

PERFORMANCE AND EXCEPTION REPORT 2016/17 – QUARTER ONE

10. The committee considered a report by the Chief Officer providing updates on performance indicators for the period April to June 2016, and updates on 2015/16 performance published since the end of year report. Where there was a risk of targets not being achieved the report provided details of actions or improvement work underway.

Commenting further on the report, the Head of Strategic Services highlighted that a number of additional indicators for children's outcomes were in development.

With regard to the National Outcomes, reference was also made to the changes of methodology in measuring time at home for people in the last few months of life and also new targets for delayed discharge. The Chief Officer reported that officers were working with the Prince and Princess of Wales Hospice to develop strategies to keep people at home longer, Mrs Paterson also explaining that palliative care training for care at home providers was also being developed. Notwithstanding, Ms Brown suggested that some people at that stage of life would always feel more secure in an acute care setting and so this should always remain an option.

Full discussion also took place with regards to the outcomes relating to staff. It being noted that the results of the recent staff survey would be reported to a future IJB, Councillor Lafferty referred to the ongoing concerns around absence figures in reply to which the Chief officer explained that whilst the most recent figures were still off target, recent figures were the best since 2008/09 and the trend was one of improvement. Ms Brown suggested that it would be helpful if the staff survey report to a future IJB also contain workforce profiles and full details of reasons for absence and how these were being addressed.

Further discussion took place in the course of which reference was made to the targets for the CAMHS service and the need to be able to provide support to children whilst waiting for an appointment. The Chief Officer explained that resourcing for the CAMHS service was predicated on deprivation and as a result East Renfrewshire, despite having high levels of use, did not receive the level of resources that might be expected.

She also highlighted that East Renfrewshire was an area of high use of planned services and that the new GP cluster arrangements may be able to bring some new opportunities in this area.

The committee noted the report.

NHSGGC PODIATRY SERVICE 2015/16 PERFORMANCE REPORT

11. The committee considered a report by the Chief Officer relative to the performance of the NHSGGC-wide Podiatry Service for 2015/16. The service was hosted by Renfrewshire HSCP.

The accompanying appendix to the report provided an overview of the service and local activity, it being noted that good progress towards the 4-week waiting time target was being made, and that performance information on staffing matters was also included.

The Head of Strategic Services explained that it was not possible at the moment to extract data relating solely to East Renfrewshire, the Chief Officer stating that she would take this up with her Renfrewshire HSCP counterpart.

The committee noted the report.

DATE OF NEXT MEETING

12. It was reported that the next meeting of the committee would take place on a date to be confirmed subject to discussions around changing meeting dates to coincide with meetings of the IJB and that members would be advised in due course. The meeting would take place in the HSCP Headquarters, Eastwood Health and Care Centre Clarkston.

CHAIR

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