

**Minute of virtual meeting of the  
East Renfrewshire Integration Joint Board  
Performance and Audit Committee  
held at 9.00am on 24 November 2021**

**PRESENT**

Anne-Marie Monaghan, NHS Greater Glasgow and Clyde Board (Chair)

Councillor Caroline Bamforth	East Renfrewshire Council
Jacqueline Forbes	NHS Greater Glasgow and Clyde Board
Heather Molloy	Scottish Care
Anne Marie Kennedy	Non-voting IJB member

**IN ATTENDANCE**

Liona Allison	Assistant Committee Services Officer (East Renfrewshire Council)
Lesley Bairden	Head of Finance and Resources (Chief Financial Officer)
John Cornett	Audit Scotland
Eamonn Daly	Democratic Services Manager (East Renfrewshire Council)
Ian McLean	Accountancy Manager
Julie Murray	Chief Officer - IJB
Steven Reid	Policy, Planning and Performance Manager
Louisa Yule	Audit Scotland

**APOLOGIES FOR ABSENCE**

Councillor Barbara Grant	East Renfrewshire Council co-opted Member
Provost Jim Fletcher	East Renfrewshire Council

**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 22 September 2021.

**MATTERS ARISING**

3. The committee considered a report by the Chief Officer providing an update on matters arising from discussions that had taken place at the previous meeting.

Having heard Ms Monaghan welcome the production of an easy read version of the annual

performance report and also welcome the £50 threshold below which receipts of expenditure were not required in relation to SDS payments, the committee noted the report.

### **ROLLING ACTION LOG**

4. The committee considered a report by the Chief Officer providing details of all open actions, and those that had been completed or removed since the last meeting.

Having heard the Chief Officer, Ms Monaghan referred to Action 20 in respect of the Annual Performance Report which was identified in the report as a closed action. She suggested that this should remain as an open action as the issue of percentages against actual numbers to provide more contextual information remained unresolved. The Chief Officer undertook to review this.

The Committee noted the report.

### **INTERNAL AUDIT ANNUAL REPORT 2020-21 AND PROPOSED AUDIT PLAN 2021-22**

5. The committee considered a report by the Chief Auditor, East Renfrewshire Council, relative to the Chief Auditor's Annual Report for 2020-21 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 2021. This was with the exception of a matter still under investigation by Police Scotland, and so no further information could be provided at this time.

In addition, details of the proposed 2021-22 audit plan, for which approval was sought, were contained in the report.

In the absence of the Chief Auditor the Head of Finance and Resources (Chief Financial Officer) 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. She confirmed that full details of the matter that was currently the subject of a police investigation would be brought to the committee at an appropriate time.

Commenting on the annual report and plan Ms Forbes again raised concerns that the committee did not have sight of any audit reports in relation to any matters delegated to the IJB by the Council and the health board. Responding to the concerns raised, the Head of Finance and Resources (Chief Financial Officer) reminded the committee that the format of the audit update report had been changed and that report contained every audit update/action in relation to either the HSCP or the IJB. However it members wished sight of the individual reports these could be provided.

The committee:-

- (a) noted the contents of Internal Audit's annual report 2020-21;
- (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 2020-21 except for a matter still under investigation by Police Scotland;

**NOT YET ENDORSED AS A CORRECT RECORD**

- (c) approved the proposed 2020-21 audit plan; and
- (d) noted that copies of audit reports would be circulated to all members of the committee.

**AUDIT SCOTLAND REPORT 2020-21**

5. The committee took up consideration of the external audit annual report for 2020-21, which summarised the findings arising from the 2020-21 audit of the IJB.

The report provided a number of key messages. In relation to financial management and sustainability, it was noted that the auditor's report was unmodified; that the IJB had appropriate and effective financial management arrangements in place to support financial monitoring, reporting and decision making, and that the IJB had returned an underspend of £5.759 million against a budgeted overspend of £2.432 million, prior to any identified savings. This was mainly due to reduced service costs due to COVID-19 as well as earmarked funding received in-year that was unspent as at 31 March. In addition, the auditor noted that the medium-term financial outlook, covering the period 2022/23 to 2026/27, had been updated by the IJB to reflect the impact of COVID-19, with an identified funding shortfall of around £4 million per year from 2021/22 onwards. Future efficiency savings alone were considered unlikely to address this funding gap and the IJB would need to continue to work with partners to develop a revised financial strategy which ensured the organisation remained financially sustainable.

In relation to governance, transparency and best value it was noted that in the auditor's opinion the IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the Board; governance arrangements operating throughout the COVID-19 pandemic have been appropriate and operated effectively; the IJB has put in place appropriate arrangements to demonstrate the achievement of Best Value; and the IJB has effective arrangements for managing performance and monitoring progress towards strategic objectives.

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.

Ms Monaghan introduced John Cornett and Louisa Yule from Audit Scotland.

Mr Cornett was heard further on the key messages and that it was intended to issue an unqualified audit opinion. In terms of financial sustainability he highlighted that COVID had led to the IJB having healthy reserves, due in part to the late receipt of additional funding from the Scottish Government. However it was important not to lose sight of the underlying financial challenges which lay ahead and which may not seem apparent in light of the "healthy" financial position.

In conclusion Mr Cornett thanked the Head of Finance and Resources (Chief Financial Officer) and her staff for their assistance in delivering the audit.

Thereafter having heard Ms Monaghan echo Mr Cornett's thanks to all those involved in the timeous production of the accounts and the annual report, the committee noted the report.

**ANNUAL REPORT AND ACCOUNTS 2020-21**

6. Under reference to the Minute of the meeting of the IJB of 23 June 2021, the committee considered a report by the Chief Financial Officer seeking approval for the final audited annual

report and accounts for the IJB for the period 1 April 2020 to 31 March 2021, 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 set out the key messages from Audit Scotland. In summary, the annual report and accounts were unmodified and the operational underspend and reserves were unchanged from the unaudited position; effective financial management was in place to support monitoring and decision making; the potential future year financial challenges were unlikely to be addressed through efficiency alone and work with partners was required to ensure financial sustainability; the IJB has appropriate governance in place and arrangements during the Covid-19 pandemic have operated effectively; the IJB has effective arrangements in place to demonstrate best value and for managing performance

The report also referred to the 3 recommendations made by Audit Scotland and summarised the response and associated timescale for action in respect of each, with progress on both to be reported to the committee.

The report also highlighted that the main messages from the annual report and accounts remained unchanged from the unaudited position reported in June, with the operational underspend of £0.833 million remaining unchanged. Main budget variances were set out and it was noted that the reserves total remained unchanged at £10.415 million. COVID-19 spend was £9.115 million. Funding of £12.260 had been received with the balance taken to reserves.

The Chief Financial Officer was then heard further on the accounts. She commented on the reduction in the operational overspend position from June, explained the reasons for the change and that identifying changes between the draft and final account stages was not unusual, and that the reasons why the overspend had not been identified in the first place had been investigated with additional checks already having been incorporated into procedures.

Ms Forbes expressed disappointment at the errors that had been identified but welcomed that additional checks had been added to the process for the future.

Referring to her earlier comments made during consideration of the Rolling Action Log, Ms Monaghan highlighted that the table providing information on Strategic Priority 1 provided percentages but in the absence of actual numbers it was not possible to put the percentages into context.

Thereafter, Ms Monaghan having commented on the key issues and the recommendations made by Audit Scotland the committee agreed that the audited annual report and accounts be remitted to the IJB for approval.

## **MID YEAR PERFORMANCE UPDATE 2021-22**

7. The committee considered a report by the Chief Officer providing an update on key performance measures relating to the delivery of the strategic priorities set out in the HSCP Interim Strategic Plan 2021-2022.

**NOT YET ENDORSED AS A CORRECT RECORD**

It was explained that due to the ongoing COVID-19 pandemic availability of mid-year data was more limited than normal although it was expected that there would be a smaller number of updates compared with end-year. In addition, for many performance indicators, normal reporting of data trends against established targets was less meaningful due to the continuing impact of COVID-19 on provision.

The report included data for mid-year and any updated end-year data for indicators from the Strategic Plan that had not previously been reported to the committee. Each measure was presented with an RAG status in relation to the target for the reporting period (where a target was set), along with long-term and short-term trend arrows and commentary on performance. Many of the data trends reflected the unique circumstances faced by services over the course of the pandemic. Explanations of any notable shifts in performance were included in the commentary text.

The report contained data updates and commentary relating to the performance measures set out under the 8 strategic priorities in the HSCP Interim Strategic Plan 2021-22 details of which were listed, and concluded by providing a number of organisational indicators relating to staff and customers.

Commenting on the report, the Policy, Planning and Performance Manager explained that the data showed that despite the significant challenges of the pandemic support for most vulnerable residents had continued and services had performed well against many of the performance measures. Performance had been more negatively affected for service areas where patterns of demand had increased significantly during the reporting period.

Attention was drawn to various examples of performance and service provision across the strategic priorities. These included increased demand across mental health and addiction services, an increase in delayed discharges, and significant impact on the provision of unpaid work placements, amongst others.

In response to questions from Ms Monaghan on performance trends, the Chief Officer referred to the significant increases in service demand, to the introduction of new performance management processes, and that a number of areas where on the basis of the information in the report had seen drops in performance were already seeing improvements.

Ms Monaghan welcomed the improvements but referred to the challenges that would face the services in the coming winter months.

The committee noted the report.

**AUDIT UPDATE**

8. Under reference to the Minute of the previous meeting (Item 6 refers), the committee considered a report by the Chief Officer providing an update on new audit activity relating to the HSCP since last reported to the committee in June, summarising all open audit recommendations and providing information on internal audit planned activity for the IJB and the HSCP. Accompanying the report were a series of appendices. These contained information regarding audit activity relating to the IJB and HSCP; and information on recommendations from previous audits. Summary information in relation to the appendices was contained in the report

Referring to earlier discussions around audit reports the Head of Finance and Resources (Chief Financial Officer) confirmed arrangements for the circulation of audit reports to the committee. She also confirmed that the Audit Scotland Action Plan accompanying the report would be superseded to reflect the new recommendations made by Audit Scotland in their audit.

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

Ms Forbes noted that a high number of audits were considered to be complete but required verification by internal audit, and queried why there appeared to be such a delay in verification. In reply the Head of Finance and Resources (Chief Financial Officer) undertook to raise this with the Chief Auditor.

The committee noted the report.

**IJB STRATEGIC RISK REGISTER UPDATE**

**9.** Under reference to the Minute of the previous meeting (Item 8 refers), the committee considered a report by the Chief Officer providing an update on the Integration Joint Board Strategic Risk Register. A copy of the risk register accompanied the report.

Having set out the risk matrix used to calculate risk scores, the report then referred to the meeting of the committee on 22 September 2021 and explained that since then there had been no change in risk scores, no new risks added or any existing risks removed from the register.

However, risk control measures in place had been updated to include any proposed mitigation which had been completed since last reported.

Details of those risks still considered as high or significant post-mitigation were outlined. These related to the Scottish Child Abuse Inquiry where due to the historic nature of the risk no further mitigations had been identified, and Financial Sustainability, which continued to be a high/red risk as last reported and that this was still considered red post-mitigation reflecting the current economic climate and uncertainty around COVID-19 and Brexit implications.

As previously reported, although “Failure of a Provider” was considered as a medium level risk post-mitigation it was still considered a significant risk given the potential impact on service delivery.

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 16 March 2022 at 9.00am.

CHAIR