

INVERCLYDE INTEGRATION JOINT BOARD AUDIT COMMITTEE – 2 NOVEMBER 2020

Inverclyde Integration Joint Board Audit Committee

Monday 2 November 2020 at 1pm

Present: Councillors L Rebecchi and E Robertson, Mr A Cowan, Ms P Speirs, Ms G Eardley and Mr S McLachlan.

Chair: Mr Cowan presided.

In attendance: Ms L Long, Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership, Ms L Aird, IJB Chief Financial Officer and Interim Head of Strategy & Support Services, Ms S McAlees, Head of Children's Services and Criminal Justice, Ms A Priestman, Chief Internal Auditor, Ms V Pollock (for Head of Legal & Property Services), Ms S Lang and Ms D Sweeney (Legal & Property Services).

The meeting was held by video-conference.

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| 18 | Apologies, Substitutions and Declarations of Interest | 18 |
| | No apologies for absence or declarations of interest were intimated. | |
| 19 | Minute of Meeting of Inverclyde Integration Joint Board (IJB) Audit Committee of 21 September 2020 | 19 |
| | There was submitted the minute of the Inverclyde Integration Joint Board (IJB) Audit Committee of 12 September 2020.
Decided: that the minute be agreed. | |
| 20 | IJB Audit Committee Rolling Action List | 20 |
| | There was submitted a list of rolling actions arising from previous meetings of the IJB Audit Committee.
Decided: that the Rolling Action List be noted. | |
| 21 | IJB Audit Committee Workplan 2020/21 | 21 |
| | There was submitted a draft workplan for the IJB Audit Committee for 2020/21.
Decided: that the draft IJB Audit Committee workplan 2020/21 be agreed. | |
| 22 | Annual Report by the IJB and Controller of Audit for the Financial Year ended 31 March 2020 | 22 |
| | There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership appending the Annual Report and Auditors' Letter to the Integration Joint Board (IJB) Members for the financial year ended 31 March 2020 which had been prepared by the IJB's external auditors, Audit Scotland.
Mr Brian Howarth and Mr Mark Laird presented the report which had the following key findings:
(1) The Audit opinions on the Annual Report and Accounts were all unqualified;
(2) The 2019/20 budget was balanced with the IJB reporting an underspend of £1.2m due to achievement of savings and some non-recurrent underspends; | |

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(3) The IJB approved an indicative budget for 2020/21 in March 2020 based on the confirmed funding offer from Inverclyde Council and indicative funding offer from NHS Greater Glasgow and Clyde but to date, the NHS GG&C offer had not been formalised and the indicative budget therefore remained active;

(4) As at August 2020, net additional costs of £6.7m were projected in 2020/21 due to COVID-19 but further funding was expected to cover this. The medium-term financial plan agreed in March 2020 would require revision to account for the impact of COVID-19;

(5) Overall, governance and transparency arrangements were effective although the arrangements for demonstrating Best Value required to be formalised;

(6) The COVID-19 pandemic had a significant impact on service demand and delivery models, the review of the Integration Scheme, implementation of Locality Planning Groups and performance reporting.

Five recommendations had been made following the audit and these were:

(1) The financial plan should be updated to account for the scale of the financial challenge posed by COVID-19;

(2) Savings, plans and proposals should continue to be developed to meet anticipated savings targets;

(3) The updated Integration Scheme should be approved and submitted to the Scottish Government as soon as practicable;

(4) Locality Planning Groups should be implemented as soon as possible in order to ensure implementation of plans;

(5) A periodic and evidenced formal review should be undertaken of how the IJB is achieving Best Value.

The following issues were highlighted during the course of discussions:

(1) The IJB continued to operate with a surplus, with a significant level of reserves making it in a stronger financial position than a number of other Integration Joint Boards in Scotland. It was noted that sixteen of the IJBs were operating with deficits and that five had a surplus or were in a break-even position. Inverclyde was one of only nine which required no year-end support;

(2) Staff underspends were not being used to achieve a balanced budget and action was being taken to fill vacant posts;

(3) The medium-term financial plan was reviewed every year as part of the budget and involved forward projections and scenario planning. Although the offer from the Scottish Government was not known, Inverclyde IJB was taking action to ensure a balanced budget and forward planning allowed corrections and adjustments to be made as required. The annual update on the five year financial plan would be submitted in March 2021;

(4) As to the impact of key performance indicators, reference was made by the Chief Officer to the review of the implementation progress relative to the HSCP Strategic Plan at the last meeting of the IJB. The IJB was committed to addressing inequalities and achieving lasting impact and while there were a number of Transformation Fund activities in abeyance because of the unprecedented circumstances, many of the big change programmes such as the Learning Disability Redesign and Alcohol and Drugs Review were progressing with modifications. Reference was also made to the recent Community Justice and Children's Houses inspections which had been evaluated as amongst the best in Scotland;

(5) In relation to the status of locality planning, it was noted that Inverclyde was now at the implementation stage which was a later stage in the process than a number of other local authorities. Locality Plans were in place for the six localities in Inverclyde and virtual meetings would commence as soon as a number of digital issues had been resolved;

(6) With regard to the five recommendations made by the External Auditors, the Chief

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Internal Auditor confirmed that she would submit a progress report relative to the External Audit Action Plan to the January IJB Audit Committee and to each IJB Audit Committee thereafter.

Decided:

- (1) that the contents of the Annual Report to the IJB and Controller of Audit for the financial year to 31 March 2020 be endorsed;
- (2) that it be recommended to the IJB that the Chair, HSCP Chief Officer and Chief Financial Officer be authorised to accept and sign the final 2019/20 Accounts on behalf of the IJB;
- (3) that the Letter of Representation set out in Appendix 2 of the Annual Report be endorsed and it be recommended to the IJB that this be signed by the IJB Chief Financial Officer; and
- (4) that the Chief Internal Auditor submit a report to the January 2021 meeting of the IJB Audit Committee on progress relative to the External Audit Action Plan and that progress reports be submitted to each meeting of the IJB Audit Committee thereafter.

23 IJB Best Value Statement 2019/20

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There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership providing a statement in relation to how the IJB has delivered Best Value during the previous financial year.

Decided:

- (1) that the report be noted; and
- (2) that the ten questions detailed in the Best Value Statement be issued to all IJB Audit Committee Members and the wider IJB for comment prior to submission of the Best Value Annual Report in March 2021.

24 Audit Scotland COVID-19 Guide for Audit Committees

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There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership providing a position statement and action plan in relation to the Audit Scotland COVID-19 Guide for Audit Committees published in August 2020.

The report advised that of the 46 areas recommended by Audit Scotland for review by Audit Committees, 23 audits were complete or required no action by the IJB, 20 were considered low risk with work already in progress and 2 (Performance of IT Services during the pandemic and the impact of COVID-19 on existing financial risks and the effect on short, medium and long-term financial plans) were considered low – medium risk with mitigation actions already in place.

Decided: that the report and the work which had taken place around the Audit Scotland guidance be noted.

At the conclusion of the meeting, the Chair thanked both Mr Howarth and Mr Laird of Audit Scotland for their attendance.