



West Lothian Integration Joint Board Audit Risk and Governance Committee

West Lothian Civic Centre
Howden South Road
LIVINGSTON
EH54 6FF

6 September 2018

A meeting of the **West Lothian Integration Joint Board Audit Risk and Governance Committee** will be held within **Conference Room 3, West Lothian Civic Centre, Howden South Road, Livingston, EH54 6FF**, on **Wednesday 12 September 2018 at 2:00 p.m.**

BUSINESS

Public Session

1. Apologies for Absence
2. Order of Business, including notice of urgent business and declarations of interest in any urgent business
3. Declarations of Interest - Members should declare any financial and non-financial interests they have in the items of business for consideration at the meeting, identifying the relevant agenda item and the nature of their interest.
4. Confirm Draft Minute of Meeting of West Lothian Integration Joint Board Audit Risk and Governance Committee held on Wednesday 27 June 2018 (herewith).

Public Items for Decision

5. Procedure for Consideration of Annual Accounts - Report by Director (herewith)
6. Best Value for Integration Joint Boards - Report by Chief Finance Officer (herewith)

Public Items for Information

7. Audit of The 2017/18 Annual Accounts - Report by Chief Finance Officer (herewith)

8. Risk Management Annual Reports - Report by Director (herewith)
9. Risk Management - Report by Director (herewith)
10. Internal Audit of The Sustainability of Primary Care - Report by Internal Auditor (herewith)
11. Committee Self-Assessment - Results - Report by Director (herewith)
12. Workplan (herewith)

NOTE **For further information please contact Elaine Dow on 01506 281594 or email elaine.dow@westlothian.gov.uk**

MINUTE of MEETING of WEST LOTHIAN INTEGRATION JOINT BOARD AUDIT RISK AND GOVERNANCE COMMITTEE held within CONFERENCE ROOM 3, WEST LOTHIAN CIVIC CENTRE, HOWDEN SOUTH ROAD, LIVINGSTON, EH54 6FF, on 27 JUNE 2018.

Present:

Voting Members - Damian Timson (Chair), Martin Connor, William McQueen and George Paul

Apologies

Non-Voting Members - Jane Houston and Martin Murray

In attendance – Jim Forrest (Director), Elaine Duncan (Professional Advisor), Lorna Kemp (Executive Project Officer), Pamela Main (Senior Manager, Community Health and Care Partnership), Kenneth Ribbons (Internal Auditor, WL IJB), and Patrick Welsh (Chief Finance Officer, WL IJB)

Apologies – Marion Barton (Head of Health) and James Millar (Standards Officer, WL IJB)

1. DECLARATIONS OF INTEREST

There were no declarations of interest made.

2. ORDER OF BUSINESS

The Chair agreed that agenda item 7 (Risk Management Report) be considered before Agenda Item 5 (Internal Audit Annual Report).

3. MINUTE

The committee approved the minute of the meeting held on 28 March 2018 as being a correct record. The Chair thereafter signed the minute.

Matters arising:

Re: Page 53 – Workforce Planning – Decision Point 3:

An update was requested from the Standards Officer, to be provided to members of the committee following the meeting, with information relating to the legal advice sought on the risks around employment terms and conditions where workforces were integrated.

Decision

To request an update from the Standards Officer.

4. RISK MANAGEMENT

The committee considered a report (copies of which had been circulated) by the Director providing details of the IJB's high risks.

The report explained that in accordance with the Risk Management Strategy approved by the IJB on 14 March 2017, the Audit, Risk and Governance Committee was required to review the IJB's risk register at least twice per annum. However, at its meeting on 28 March 2018, the committee asked that the IJB's high risks be reported to all of its meetings.

The Internal Auditor advised that the IJB currently had four high risks, details of which were outlined in appendix 1 to the report.

The committee then considered the four high risks. Discussion then took place relating to the risks involved in delayed hospital discharge. The Professional Advisor and Senior Manager provided details of the work being carried out and the criteria in place to assess the supports required to effectively discharge patients from hospital. It was the intention to use a single point of access for acute care patients to provide them with the right resource to meet their needs which would ensure that unnecessary hospital admissions were avoided. Changes to the eligibility criteria for provision of direct social care support were also being considered as part of the rehabilitation pathway development.

The Director then provided details of the actions being taken to finalise the workforce plan. A couple of successful workforce planning events had been held for health and social care staff which identified clear supporting actions. It was noted that challenges continued regarding recruitment of qualified staff. Members of staff currently employed within various disciplines were being offered training opportunities and West Lothian Internship Scheme was also introduced to try to attract newly qualified GP's to West Lothian. However, progress of the IJB Workforce Plan was dependent on the final part of the National Workforce Plan which has yet to be published.

During the course of the discussion members of the committee recommended that if a completed high risk action required ongoing review then this should be added to the list of key controls.

It was recommended that the committee considers the high risks identified, the control measures in place and the risk actions in progress to mitigate their impact.

Decision

1. To note the contents of the report; and
2. To agree that completed high risk actions which required ongoing review should be added to the list of key controls.

5. INTERNAL AUDIT ANNUAL REPORT

The committee considered a report (copies of which had been circulated) by the Internal Auditor providing details of the Internal Audit Annual Report for 2017/18, which was attached as an appendix to the report.

The report recalled that the Audit, Risk and Governance Committee's remit included reviewing the effectiveness of the IJB's framework of governance, risk management and internal control, and monitoring the independence and effectiveness of the internal audit function.

The Internal Auditor concluded that the IJB's framework of governance, risk management and control required improvement. He referred the committee to the outcome of his audits of performance management and workforce planning, which were reported to the committee in June 2017 and January 2018 respectively. In particular it was noted that, at the time of the audit work, the IJB did not have a finalised workforce plan. It was noted that a follow up audit of workforce planning was due to be submitted to the committee in December 2018.

During the course of the discussion the committee commented on the timing of the submission of the Internal Audit Annual Report to the Board to allow consideration to be given on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control, in advance of approving the IJB's annual governance statement. Given that legislation required the Annual Governance Statement to be approved prior to being submitted as part of the unaudited accounts, it was agreed that the IJB Standards Officer be consulted to provide feedback on the process for submitting the Internal Audit Annual Report.

It was recommended that the committee considers the Internal Audit Annual Report for 2017/18, and the Internal Auditor's opinion on the IJB's framework of governance, risk management and control.

Decision

1. To note the contents of the report; and
2. To agree that the IJB Standards Officer be consulted in relation to the process for submitting the Internal Audit Annual Report.

6. RISK MANAGEMENT ANNUAL REPORT

The committee considered a report (copies of which had been circulated) by the Director providing details of the Risk Management Annual Report for 2017/18.

The report stated that the Audit, Risk and Governance Committee's remit included a requirement to "review and monitor the IJB's strategy and systems for the management of risk, and relevant reporting arrangements, and ensure they were adequate and cost effective". The Risk Management Annual Report for 2017/18, attached as an appendix to

the report, set out the responsibilities for managing risk and summarised the work done on the reporting and review of risk during the year. In addition, during 2017/18 an independent review of the IJB's risk management processes was carried out by Falkirk Council internal audit team who concluded that substantial assurance as to the effectiveness of the IJB's risk management arrangements could be provided.

The Internal Auditor then responded to questions from members of the committee. In response to a question relating to the role of the IJB in terms of risk and performance and the possible reputational damage which could be caused due to operational risks within health and social care services, it was agreed that further discussion could be carried out in relation to this at the next IJB Development Session.

It was recommended that the committee considers the Risk Management Annual Report for 2017/18.

Decision

To note the contents of the report.

7. 2017/18 ANNUAL ACCOUNTS (UNAUDITED)

The committee considered a report (copies of which had been circulated) by the Chief Finance Officer providing details of the unaudited 2017/18 Annual Accounts of the West Lothian Integration Joint Board (IJB).

The Annual Accounts (unaudited) which was attached as an appendix to the report detailed the IJB's financial position for 2017/18 taking account of the health and social care functions and resources delegated to the IJB. The accounts also included a Management Commentary setting out the purpose and strategic aims of the IJB and the key messages on the IJB's planning and performance for the year 2017/18.

Legislation requires the Board to approve the Annual Governance Statement before it was submitted as part of the unaudited annual accounts provided to EY. The Annual Governance Statement was included in the unaudited accounts appended to the report, which had already been reported to the Board on 26 June 2018 and approved.

It was also the duty of the IJB to secure best value as required by the Local Government in Scotland Act 2003. Guidance notes were issued by Audit Scotland to assist auditors with assessing the achievement of Best Value by Integration Joint Boards, details of which were attached at appendix 2 to the report. As noted in the annual governance statement, a further report would be brought to the Board to consider a process whereby the Board may ensure compliance with its statutory duty to achieve Best Value, taking into account the Audit Scotland guidance. The Chief Finance Officer agreed that WL IJB Best Value report would be provided for consideration at the next scheduled meeting.

It was recommended that the committee:

- Considers the content of the 2017/18 Annual Accounts to be submitted to Audit Scotland following their presentation to the Board on 26 June 2018 for consideration and approval of the annual governance statement contained therein; and
- Considers guidance issued by Audit Scotland on assessing Best Value in Integration Joint Boards and notes that a further report would be brought to the Board in relation to the Board's statutory duty to secure best value.

Decision

1. To note the contents of the report; and
2. To note that a further report would be submitted to the next meeting in relation to the Board's statutory duty to secure best value.

8. WORK PLAN

The committee noted the work plan (copies of which had been circulated).

The work plan was agreed subject to including the following item:

- Report on the Board's statutory duty to secure Best Value.

West Lothian Integration Joint Board Audit Risk and Governance Committee

Date: 12.09.18

Agenda Item: 5

PROCEDURE FOR CONSIDERATION OF ANNUAL ACCOUNTS

REPORT BY DIRECTOR

A PURPOSE OF REPORT

To consider the procedure and responsibilities for dealing with the Board's annual accounts.

B RECOMMENDATION

1. To note the requirements of the statutory regulations which apply to consideration and approval of the Board's annual accounts
2. To agree that in future the procedure and decision-making arrangements set out in the appendix to this report should be applied
3. To note that minor changes to the Board's Standing Orders and the remit of this committee will be required to implement those proposed arrangements
4. To agree to recommend these proposed arrangements to the Board and to request that it approves the necessary changes to Standing Orders and the committee's remit to give effect to them

C TERMS OF REPORT

- 1 The Board is subject to the financial and accounting regime that applies to local authorities. Legislation sets out a process and a timetable by which the Board's annual accounts are to be prepared, considered, published and approved. Within those regulations there are options available as to whether all the stages are carried out by the Board itself or by a committee on its behalf.
- 2 In dealing with the draft annual accounts and annual governance statement in June this year the Board asked for the process to be reviewed and reconsidered based on experience of the first years of the Board's existence. This report sets out the options for the committee and asks committee to make appropriate recommendations to the Board for future use. The current procedure was introduced in December 2017.
- 3 The table in the appendix shows the steps at which consideration by Board or committee is required. It shows the options available. It shows the proposed route for future years with a short explanation.
- 4 Committee is requested to consider these options and proposals and to make appropriate recommendations to the Board for adoption.

- 5 Introducing a different process will require some minor changes to the Board's Standing Orders and the remit of this committee. Those changes can only be made by the Board.

D CONSULTATION

Chief Finance Officer; Internal Auditor

E REFERENCES/BACKGROUND

Local Government (Scotland) Act 1973

Local Authority Accounts (Scotland) Regulations 2014

Board meeting on 5 December 2017

F APPENDICES

Stages in annual accounts procedure

G SUMMARY OF IMPLICATIONS

Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, equality impact assessment has not been conducted.
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National Health and Wellbeing Outcomes	None.
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Strategic Plan Outcomes	None.
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Single Outcome Agreement	None.
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Impact on other Lothian IJBs	None.
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Resource / Finance	N/a
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Policy/Legal	The Public Bodies (Joint Working) (Scotland) Act 2014 specifies that Integration Joint Boards be treated as bodies falling within section 106 of the Local Government (Scotland) Act 1973
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Risk	None
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H CONTACT

James Millar, Standards Officer, Governance Manager – West Lothian Council, West Lothian Civic Centre, Tel. No. 01506 281320 E-mail: james.millar@westlothian.gov.uk

12 September 2018

APPENDIX 1

What	Options	Current	Future	Reasoning
Consider findings of review of system of internal control	Board or AR&GC	AR&GC	AR&GC	Committee expertise – committee better placed to deal with the audit issues
Approve annual governance statement	Board or AR&GC	Board	AR&GC	Committee expertise – committee better placed to deal with the governance aspects and potential problems
Consider unaudited accounts	Board or AR&GC	Both	Board	Gives all members an awareness of financial position and other matters covered by accounts. Will include the AGS as approved at AR&GC. Sits well alongside separate report on statutory performance report due at same meeting
Consider audited accounts	Board or AR&GC	AR&GC	AR&GC	Committee expertise – committee better placed to deal with the audit issues and make recommendations to the Board for its consideration
Consider approval of accounts for signature	Board or AR&GC	AR&GC	AR&GC	Committee expertise – committee better placed to grasp the audit issues and make recommendations to the Board for its consideration
Approves accounts for signature	Board or AR&GC	Board	Board	All members have responsibility for governance and should share it and be aware, having regard to recommendations from committee

Meeting: 12 Sept 2018

Agenda Item: 6

WEST LOTHIAN INTEGRATION JOINT BOARD

BEST VALUE FOR INTEGRATION JOINT BOARDS

REPORT BY CHIEF FINANCE OFFICER

A PURPOSE OF REPORT

The purpose of this report is to set out the IJB's duty to secure best value and a proposed Best Value Framework for West Lothian IJB that would provide a basis of demonstrating the IJB has made arrangements to comply with Best Value.

B RECOMMENDATION

It is recommended the Committee:

1. Notes that the IJB has a statutory duty to secure Best Value as prescribed in Part 1 of the Local Government in Scotland Act 2003
2. Notes the draft West Lothian IJB Best Value Framework and agrees a framework should be established for West Lothian IJB setting out the arrangements that will be put in place to demonstrate Best Value across the proposed areas identified
3. Agrees that appropriate monitoring procedures should be put in place to review compliance with Best Value
4. Agrees that a report should be presented to the Board asking them to agree to a West Lothian IJB Best Value framework and compliance arrangements being established for 2018/19

C TERMS OF REPORT

C.1 Background

The Local Government (Scotland) Act 2003 places a duty on Local Government bodies to secure Best Value. As a Section 106 body under the 2003 Act, Integration Joint Boards have the same statutory duty to secure best value.

The statutory duties of the 2003 Act are:

- The duty of Best Value, being to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and in making those arrangements and securing the balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development;
- The duty to achieve break-even in trading accounts subject to mandatory disclosure
- The duty to observe proper accounting practices

- The duty to make arrangements for the reporting to the public of the outcome of the performance of functions

The above duties apply to the IJB other than the duty to secure a break-even in trading accounts which is not relevant to the IJB as it does not have trading accounts.

Statutory Ministerial Guidance published in 2004 sets out the fundamental framework for Local Government bodies in delivering Best Value and consequently for auditing Best Value. The guidance is descriptive rather than prescriptive, recognising that the context, communities and circumstances in each Body are different and therefore how it achieves Best Value should reflect these. The guidance is set out under the following ten headings.

- Commitment and Leadership
- Responsiveness and Consultation
- Sound Governance at a Strategic, Financial and Operational Level
- Sound management of resources
- Use of review and options appraisal
- Competitiveness, trading and options appraisal
- A contribution to sustainable development
- Equal Opportunities Arrangements
- Joint Working
- Accountability

C.2 Duty on Partner Bodies to Secure Best Value

Best Value duties apply across the public sector although the arrangements by which achieving best value is demonstrated is not the same across NHS Boards and local authorities.

NHS Lothian

Legislation does not require NHS Boards to demonstrate best value, rather it is NHS Board Chief Executives who have a formal duty in their capacity as accountable officers to demonstrate delivery of best value.

To this end, the Chief Executive is required to sign off a Governance Statement in the NHS Lothian annual accounts, which is prepared in line with the Scottish Public Finance Manual. This covers many aspects of best value and is informed by assurances from Directors, Committees and the work of auditors.

West Lothian Council

As noted, councils have a statutory duty to make arrangements to secure best value. As a means of complying with this duty, West Lothian Council has an approved Best Value Framework which sets out a number of key areas against which the arrangements for achieving best value can be assessed and monitored against. This takes account of the statutory duties in the 2003 Act and the Ministerial Guidance published in 2004. In addition, an annual statement is reported to the council's relevant committees for consideration.

It should be noted that the arrangements in place to secure best value in both partner bodies include the functions delegated to IJBs. As such, the IJB should take account of the assurance from partners on the delivery of best value in assessing its own delivery of best value.

C.3 Auditing Best Value in IJBs – Audit Scotland Guidance

Guidance for auditors on auditing best value was issued by the Scottish Government in March 2018 and this is attached in Appendix 1. This notes the IJBs duty to secure best value as prescribed in Part 1 of the Local Government in Scotland Act 2003.

Based on the guidance, the IJB will be expected to demonstrate best value in documents such as the Annual Performance report and Strategic Plan. The guidance sets out ten prompts for auditors to consider the actions taken by IJBs to fulfil their duty to meet best value

C.4 IJB Best Value Framework

While partner arrangements for securing best value will play a key part in receiving assurance that the services delivering the IJBs strategic plan are achieving best value, it is important going forward that the IJB is able to demonstrate appropriate arrangements it has in place to meet best value.

The Governance Statement within the 2017/18 Annual Accounts notes the following as a matter to be considered in 2018/19, 'A procedure and framework should be developed and approved through which the Board can demonstrate compliance with its statutory duty to secure best value.'

Taking account of all the relevant factors including Legislation, Ministerial Guidance and Audit Scotland Guidance, it is proposed that a Best Value framework is adopted by the IJB. This would set out the areas against which the IJB would seek to demonstrate delivery of best value. The proposed areas including initial high level examples of the type of information / activity that would be relevant in assessing the achievement of best value are shown below.

- **Management of Resources** (e.g. financial assurance and monitoring of IJB budget resources, medium term financial planning, workforce planning)
- **Effective Leadership and Strategic Direction** (e.g. commitment to delivering integration among Board members and senior managers through IJB Strategic Plan)
- **Performance Management** (e.g. regular reporting and scrutiny of IJB performance, achievement against Health and Social care outcomes and progressing integration)
- **Joint Working with Partners** (e.g. demonstration of effective approach to joint working with partners to progress integration through West Lothian Health and Social Care Delivery plan)
- **Service Review / Continuous Improvement** (e.g. regular reviews of service activity and scope for integration through projects such as Frailty Programme and Mental Health Redesign)
- **Governance and Accountability** (e.g. demonstration through public performance information such as Annual Accounts, Governance Statement and Annual Performance report)
- **Engagement with Community** (e.g. regular engagement and consultation with stakeholders through Locality Planning Groups and Strategic Plan consultation)

It is proposed for each of these areas that on an annual basis there would be assessment of how the IJB has demonstrated best value in the delivery of delegated functions during the year.

This would be achieved through an Annual Statement of Compliance that would be considered by the IJB senior management team and reported to the IJB Audit, Risk and Governance Committee for consideration. The Annual Statement of Compliance would be used to inform the Governance Statement within the annual accounts and the Strategic Plan and Annual Performance Plan.

The assessment of delivery of Best Value is likely to take account of factors such as external audit and internal audit considerations and any specific audit work undertaken in the framework areas identified

As noted, given the nature of the IJB as a corporate body who does not operationally deliver services, it is also important that assurance on achievement of best value by partners is also visible to the IJB. It is further proposed that information relevant to this would be reported to the IJB Audit, Risk and Governance Committee and reflected in the Annual Statement of Compliance.

Based on the proposed arrangements set out, it is recommended that a report should be presented to the Board recommending they agree to a West Lothian IJB Best Value Framework and compliance arrangements being established for 2018/19 and future years.

It is anticipated the framework would be reviewed after a period of 2 to 3 years to take account of any ongoing developments around Best Value for IJBs and auditing for Best Value.

D CONSULTATION

Relevant officers in NHS Lothian and West Lothian Council.

E REFERENCES/BACKGROUND

Local Government (Scotland) Act 2003

Best Value Statutory Ministerial Guidance 2004

F APPENDICES

Appendix 1 – Auditing Best Value – Integration Joint Boards

G SUMMARY OF IMPLICATIONS

Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, equality impact assessment has not been conducted. The relevance assessment can be viewed via the background references to this report.
National Health and Wellbeing Outcomes	The proposed Best Value Framework will assist in delivering health and wellbeing outcomes
Strategic Plan Outcomes	The proposed Best Value Framework will assist in effective delivery of the IJBs Strategic Plan.
Single Outcome Agreement	The proposed Best Value Framework will contribute to meeting targets set out in the Single Outcome Agreement
Impact on other Lothian IJBs	None.

Resource/Finance	Best Value in the use of resources is a key objective of the IJB and the proposed Best Value Framework will help provide assurance.
Policy/Legal	The proposed Best Value Framework will provide a formal process for the IJB to demonstrate compliance with its statutory Best Value duty.
Risk	None.

H CONTACT

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12 September 2018

Auditing Best Value - Integration Joint Boards



March 2018

Introduction

1. This guidance note seeks to assist auditors with assessing the achievement of Best Value (BV) in Integration Joint Board (IJB).

Background

2. It is the duty of the IJB to secure BV as prescribed in Part 1 of the [Local Government in Scotland Act 2003](#).
3. Per the [2017/18 Audit Planning Guidance](#):

'Auditors should consider accountable officers' duty to secure BV as part of the governance arrangements that they consider when planning and reporting on audit dimensions. This applies to auditors of IJBs, health and central government bodies (excluding small audited bodies).

More detailed audit work covering BV characteristics may also be carried out by auditors in these bodies, as part of their work on the audit dimensions. The nature and extent of this work will be determined by the annual risk assessment carried out by auditors.'

Assessing Best Value in IJB audits

4. Documents in which the IJB will be expected to demonstrate the achievement of BV include the Performance Report and the Strategic Plan. Per the [Public Bodies \(Joint Working\) \(Content of Performance Reports\) \(Scotland\) Regulations 2014](#):

'A performance report must include an assessment of performance in relation to Best Value, including information about how the planning and delivery of services in pursuance of integration functions have contributed to securing Best Value.'

5. The [appendix](#) of this guidance note contains a number of areas to consider when assessing the actions taken by IJBs to fulfil their duty to deliver BV. These should be discussed with a senior officer from the IJB.
6. Auditors should consider whether any BV review at the parent bodies could be used to inform their BV conclusions on the IJB.
7. Auditors should report findings and judgements from BV audit work in the 2017/18 annual audit report, with the expectation that any findings will be followed up as part of the 2018/19 audit. The follow up should reflect on the IJB's response to the findings and progress with improvement actions.

Appendix – Best Value auditor prompts

No.	Prompt	IJB response
1.	Who do you consider to be accountable for securing Best Value in the IJB?	
2.	How do you receive assurance that the services supporting the delivery of the strategic plan are securing Best Value?	
3.	Do you consider there to be sufficient buy-in to the IJB's longer term vision from partner officers and members?	
4.	How is value for money demonstrated in the decisions made by the IJB?	
5.	Do you consider there to be a culture of continuous improvement?	
6.	Have there been any service reviews undertaken since establishment – have improvements been identified? Is there any evidence of improvements in services and/or reductions in pressures as a result of joint working?	
7.	Have identified improvement actions been prioritised in terms of those likely to have the greatest impact?	
8.	What steps are taken to ensure that quality of care and service provided is not compromised as a result of costs saving measures?	
9.	Is performance information reported to the board of sufficient detail to enable value for money to be assessed?	
10.	How does the IJB ensure that management of resources (finances, workforce etc.) is effective and sustainable?	

**WEST LOTHIAN INTEGRATION JOINT BOARD AUDIT RISK AND
GOVERNANCE COMMITTEE****AUDIT OF THE 2017/18 ANNUAL ACCOUNTS****REPORT BY CHIEF FINANCE OFFICER****A PURPOSE OF REPORT**

The purpose of this report is to advise the Committee of the 2017/18 Audit and to provide a summary of the key points arising from the Auditor's Annual Report.

B RECOMMENDATION

It is recommended the Committee:

1. Considers the audited 2017/18 Annual Accounts for the West Lothian Integration Joint Board
2. Considers the Auditor's 2017/18 Annual Audit Report including the management action plan
3. Considers any recommendations to be made to the Board in advance of when it meets to agree the Annual Accounts for signature on 24 September 2018

C TERMS OF REPORT**C.1 Introduction**

The unaudited Annual Accounts for the financial year to 31 March 2018 were considered by the Board on 26 June 2018, in advance of the accounts being submitted to Ernst and Young (EY) on 30 June deadline. These accounts were subsequently referred to the IJB Audit, Risk and Governance Committee on 27 June 2018 for further consideration. The external audit of the Accounts and the signing of the Independent Auditor's report is anticipated to be completed by the target date of 30 September 2018 following approval of the Accounts.

The report by EY on the 2017/18 audit is appended to this report. The Auditor's report covers the financial statements, financial management and sustainability, governance and transparency and value for money.

C.2 Key messages in the EY report

The Executive Summary section outlines the Auditor's conclusions on their audit of the 2017/18 accounts. Key points include:

- There is an unqualified opinion on the financial statements
- EY have concluded satisfactorily in respect of each of the significant risks and audit focus areas identified in their Annual Audit plan
- Some suggestions were made by EY to enhance the overall presentation of the annual accounts and these have been incorporated into the annual audited accounts
- Key messages in respect of the wider dimensions of public sector audit (Financial Management, Financial Sustainability, Governance & Transparency and value for Money), along with an assessment of each area in terms of red / amber / green are noted.

C.3 2017/18 Financial Statements Audit

In terms of preparation of the 2017/18 financial statements, the report notes that the IJB complied with relevant requirements, in particular, the unaudited annual accounts were considered by the IJB prior to submission and in advance of the deadline of 31 August. In terms of opinions on matters prescribed by the Accounts Commission, the following was noted:

- Management Commentary – EY concluded that the management commentary met the requirements placed on the IJB
- Remuneration Report – No material amendments were required to the draft remuneration report which transparently sets out the roles of chief officers alongside other operational roles they hold with NHS Lothian and / or West Lothian Council
- Annual Governance Statement – EY were satisfied that the Annual Governance Statement had been prepared in accordance with the Delivering Good Governance in Local Government Framework (2016) and was consistent with both the governance framework and findings from relevant audit activity.

Taking account of their opinion on these prescribed matters, EY have concluded that their opinion is unqualified.

C.4 Significant Audit Risks

EYs Annual Audit Plan noted risks in relation to assurance over the existence and occurrence of revenue expenditure incurred by the IJB in commissioning services from the council and NHS Lothian, and management fraud through the ability to override financial reporting controls.

In respect of the significant risks identified, the Annual Audit Report findings noted that:

- Testing had not identified any material misstatements relating to revenue and expenditure recognition and;
- No material weaknesses in the design and implementation of controls around journal processing, or management override of controls, were identified

C.5 Wider Scope Audit Dimensions

The wider scope audit considerations reflect EY's judgements and conclusions on the IJB's arrangements for financial management, financial sustainability, governance and transparency, and value for money.

The Annual Audit report sets out the main findings and conclusions from each of these areas. The position against each area is summarised below:

- Financial Management – Green. The IJB has established its core financial management arrangements, and EY are satisfied that these are adequate for the current management of its financial activities
- Financial Sustainability – Amber. EY note that management have recognised the need to establish longer term financial planning arrangements, with a draft five year financial plan reported to the Board in June 2018. Achieving financial sustainability will be a significant challenge and will be important to supporting the achievement of the IJB's Strategic Plan.
- Governance and Transparency – Amber. EY have concluded that in overall terms the IJB has established a sound basis to demonstrate good governance and transparency in its operational activity. Based on Internal Audit work undertaken, the IJB has recognised that further work is required on workforce planning and performance management.
- Value for Money – Amber. EY have concluded that the IJB has identified local improvement goals to measure its performance which are appropriate to the national goals. The IJBs Annual Performance report has now been finalised and published.

C.6 Annual Audit Report Action Plan

An action plan including management responses to identified risks is included in the Annual Audit report. The Action Plan summarises specific EY recommendations which have been graded according to their consideration of their priority for action. A management response to the two actions identified is included in the Action Plan.

D CONSULTATION

Relevant officers in NHS Lothian and West Lothian Council.

E REFERENCES/BACKGROUND

2017/18 Audited Statement of Accounts for West Lothian Integration Joint Board

Ernst and Young – Annual Audit report for Year Ended 31 March 2018

F APPENDICES

Ernst and Young – Annual Audit report for Year Ended 31 March 2018

2017/18 Audited Statement of Accounts for West Lothian Integration Joint Board

G SUMMARY OF IMPLICATIONS

Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, equality impact assessment has not been conducted.
National Health and Wellbeing Outcomes	None.
Strategic Plan Outcomes	None.
Single Outcome Agreement	None.

**Impact on other
Lothian IJBs** None.

Resource/Finance None.

Policy/Legal The Auditor's Report is presented to the Board in accordance with the Local Government (Scotland) Act 1973.

Risk None.

H CONTACT

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12 September 2018

West Lothian Integration Joint Board

**Annual Audit Report to Members
of the IJB and the Controller of
Audit - year ended 31 March 2018**

DRAFT

12 September 2018

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About this report

This report has been prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 31 May 2016 through which the Accounts Commission has appointed us as external auditor of West Lothian Integration Joint Board (the IJB) for financial years 2016/17 to 2020/21. We undertake our audit in accordance with the Local Government (Scotland) Act 1973 and our responsibilities as set out within Audit Scotland's Code of Audit Practice (the Code), issued on 26 May 2016.

This report is for the benefit of the IJB and is made available to the Accounts Commission, the Controller of Audit and Audit Scotland (together the Recipients). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

Complaints

If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with Stephen Reid who is our partner responsible for services under appointment by Audit Scotland, telephone 0131 777 2839, email sreid2@uk.ey.com. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, or with how your complaint has been handled, you can refer the matter to Diane McGiffen, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN. Alternatively you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Executive Summary

Purpose of this report

In accordance with the Local Government (Scotland) Act 1973, the Accounts Commission appointed EY as the external auditor of West Lothian Integration Joint Board (the IJB) for the five year period 2016/17 to 2020/21.

We undertake our audit in accordance with the Code of Audit Practice (the Code), issued by Audit Scotland in May 2016; Auditing Standards and guidance issued by the Financial Reporting Council; relevant legislation; and other guidance issued by Audit Scotland.

This Annual Audit Report is designed to summarise our key findings and conclusions from our audit work. It is addressed to both members of the IJB and the Controller of Audit, and presented to both IJB management and those charged with governance. After consideration by the IJB, this report is provided to Audit Scotland and published on their website.

We draw your attention to the fact that our audit was not designed to identify all matters that may be relevant to the IJB. Our views on internal control and governance arrangements have been based solely on the audit procedures performed in respect of the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

Scope and responsibilities

The Code sets out the responsibilities of both the IJB and the auditor. We provided details of these in our Annual Audit Plan, which was presented to the Audit, Risk and Governance committee on 28 March 2018. We summarise these responsibilities of the IJB in Appendix A.

Our Annual Audit Plan set out an overview of our audit scope and approach for the audit of the 2017/18 financial statements. We carried out our audit in accordance with the plan. We applied the following level of materiality to our audit:

- | | |
|---|--------------|
| • Materiality for our audit – no change to that reported in our Annual Audit Plan | £2.1 million |
| • Tolerable Error is our materiality applied at an individual account balance – no change | £1.6 million |
| • Reporting threshold, set in line with the requirements of the Code – no change | £0.1 million |

Financial statement audit

We are responsible for conducting an audit of the financial statements of the IJB. We provide an opinion on the financial statements as to:

- whether they give a true and fair view of the financial position of the IJB as at 31 March 2018 and its expenditure and income for the year then ended; and
- whether they have been properly prepared in accordance with the Local Government (Scotland) Act 1973 and the 2017/18 Code of Practice on Local Authority Accounting in the United Kingdom.

We also review and report on the consistency of the other information prepared and published by the IJB along with its financial statements.

Wider scope audit

Our responsibilities extend beyond the audit of the financial statements. The Code requires auditors to provide judgements and conclusions on the four dimensions of wider-scope public audit. Our audit work over the wider scope audit dimensions compliments our financial statements audit.

Key contacts

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Independence

We confirm that we have undertaken client and engagement continuance procedures, included in which is our assessment of our continuing assessment of our independence to act as your external auditor.

Financial statements audit

We [have issued] an unqualified audit opinion on the IJB financial statements.

We have concluded satisfactorily in respect of each of the significant risks and audit focus areas identified in our Annual Audit Plan.

The annual accounts, statement of responsibilities, governance statement and remuneration report were received at the start of the audit fieldwork. We made some suggestions to enhance their overall presentation. Management responded positively to audit comments.

Wider scope audit – key messages

We set out below our key messages in respect of each of the dimensions of public sector audit, along with our overall assessment of each of these in terms of red / amber / green, building on our assessment and recommendations from the 2016/17 audit. We have made two recommendations for management as a result of our work.

Financial management	<ul style="list-style-type: none"> While there were consistent pressures on the budget during the year, there was consistency on financial forecasting during the year. The key pressures were met through an additional contribution from one of the Partners. The IJB has established its core financial management arrangements, and we are satisfied that these are adequate for the current management of its financial activities. 	Green
Financial sustainability	<ul style="list-style-type: none"> We have concluded that achieving financial sustainability on an underlying operational delivery basis, excluding non-recurring funding, continues to represent a challenge for the IJB. Management has recognised the need to establish longer term financial planning arrangements, with a draft five year financial plan reported to the Board in June 2018. The success of these is critical to supporting the achievement of the IJB's strategic objectives. 	Amber
Governance & transparency	<ul style="list-style-type: none"> While we have concluded that overall the IJB has established a sound basis to demonstrate good governance and transparency in its operational activity, Internal Audit has concluded that the governance, risk management and control framework requires improvements based on the findings in two areas, which the IJB has also recognised. The IJB has continued to develop its approach to risk management, with a risk management strategy approved and the risk register considered regularly by the Audit, Risk and Governance committee. 	Amber
Value for money	<ul style="list-style-type: none"> In response to the need to measure performance and progress against the IJB's Strategic Plan, we have concluded that the IJB has identified local improvement goals to measure its performance which are appropriate to the stated national goals. In addition sources of data and information have been identified and reported to the Board. While IJB's annual performance report was considered by the Board before the 31 July deadline, the report was not finalised and published in line with the timeline requirements of the Act. 	Amber

2. **2017/18** financial statements audit

2. Summary of 2017/18 audit opinion



The detailed form and content of our audit report, and the requirements underpinning the report, are set out in guidance issued by Audit Scotland. This covers our reporting requirements in accordance with International Standards on Auditing (UK), plus those matters prescribed by the Accounts Commission.

Element of Audit opinion	Nature of opinion and basis for that
Opinion on financial statements	Unqualified opinion
<ul style="list-style-type: none"> Truth and fairness of the state of affairs of the IJB at 31 March 2018 and of the income and expenditure for the year then ended Preparation of the financial statements in accordance with the relevant financial reporting framework 	<ul style="list-style-type: none"> Performance of audit procedures to respond to our assessed risk of misstatement, including significant risks Accounting policies are appropriate and estimates are reasonable Completion of financial statement disclosure checklists / consideration of relevant guidance issued by CIPFA / Audit Scotland
Conclusions relating to the going concern basis of accounting	No matters to report
<ul style="list-style-type: none"> The use of the going concern basis of accounting used in the preparation of the financial statements is not appropriate 	<ul style="list-style-type: none"> Supported by our core financial statements audit work, supplemented by our wider scope audit procedures in respect of financial sustainability
Other information in the annual accounts	No matters to report
<ul style="list-style-type: none"> We are required to consider whether the other information in the annual accounts is materially inconsistent with the financial statements or our knowledge obtained in the audit. 	<ul style="list-style-type: none"> Review of committee minutes and papers / discussions with management / understanding of the business / participation in shared risk assessment
Opinions on matters prescribed by the Accounts Commission	Unqualified opinions
<ul style="list-style-type: none"> The audited part of the Remuneration Report has been properly prepared in accordance with applicable regulations Information in the Management Commentary / Annual Governance Statement is consistent with the financial statements, and prepared in accordance with the relevant guidance 	<ul style="list-style-type: none"> We agreed the form of the report to the regulations and agreed the disclosures to underlying accounting records and supporting schedules We reviewed the content of the narrative statements to the information known to us in the audit, and against the requirements of the guidance
Matters on which we are required to report by exception	No matters to report by exception
<ul style="list-style-type: none"> Whether there has been a failure to achieve a prescribed financial objective Whether adequate accounting records have been kept Whether financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records Whether we have not received the information we require for our audit 	<ul style="list-style-type: none"> We were provided with all the information we required We have been able to agree information to the accounting records

2. 2017/18 financial statements audit



The Annual Accounts enables the IJB to demonstrate its accountability for the resources at its disposal, and its overall performance in the application of those resources during the year. They also enable the IJB to demonstrate openness and transparency in its governance and remuneration arrangements.

Financial Statements Preparation 2017/18

Compliance with requirements

The Local Authority Accounts (Scotland) Regulations 2014 (the Regulations) set out the statutory requirements on the IJB in respect to the annual accounts, their availability for public inspection and the consideration and signing by the IJB or a committee with an audit or governance remit.

The IJB complied with the relevant requirements. In particular, the unaudited annual accounts were considered by the Audit, Risk and Governance committee on 27 June, prior to their submission to us and in advance of the deadline of 31 August.

Opinions on matters prescribed by the Accounts Commission

Management Commentary: Required by Regulation 8(2)(a) of the Local Authority Accounts (Scotland) Regulations 2014, under statutory guidance included in Scottish Government Local Government Finance Circular 5/2015. Audit Scotland requires us to read the management commentary and express an opinion on whether the information given is consistent with the financial statements and whether it has been prepared in accordance with the statutory guidance.

We read the management commentary and compared the content against the information in the financial statements and against the statutory requirements. We concluded that the management commentary met the requirements placed on the IJB.

Remuneration Report: Required by Regulation 8(2)(d) of the Local Authority Accounts (Scotland) Regulations 2014. Auditors are required by the Code to audit the disclosures of remuneration and pension benefit, pay bands, and exit packages and express a separate opinion within their independent auditor's report on whether they have been properly prepared in accordance with the Regulations.

In response to an audit recommendation, and consideration of common practice and interpretation, the IJB has this year included the Chief Finance Officer in the remuneration report, along with the Chief Officer. No material amendments were required to the draft remuneration report which sets out transparently the roles of chief officers alongside other operational roles they hold with NHS Lothian and/or West Lothian Council.

Annual Governance Statement: Required by Regulation 8(2)(c) of the Local Authority Accounts (Scotland) Regulations 2014. Auditors are required by the Code to report as to whether the statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016)

We reviewed the Annual Governance Statement within the financial statements against the required guidance. We were satisfied that it met the requirements and was consistent with both the governance framework and key findings from relevant audit activity.

Section 3 of this report sets out additional procedures we have undertaken in respect to the Governance and Transparency wider scope audit dimension.

Impact on audit opinion – unqualified opinion on prescribed matters

Other matters

We have not identified any circumstances to notify the Controller of Audit that a statutory report may be required under the Local Government (Scotland) Act 1973. We did not receive any objections to the 2017/18 annual accounts from members of the public.

Audit differences

There are no unadjusted or adjusted audit differences arising from our audit.

2. Significant audit risks



Significant risk - risk of fraud in income and expenditure recognition: ISA (UK) 240 requires us to make a rebuttable presumption that the fraud risk from income recognition is a significant risk. In the public sector, we extend that to consider the risk of material misstatements by manipulation of expenditure.

Our overall approach

As set out in our Annual Audit Plan, given the nature of funding to the IJB from the Council or NHS body, we rebutted the assumed fraud risk in respect of the income. For expenditure we associated the risk to the assurance over the existence and occurrence of expenditure incurred by the IJB in commissioning services from the Council and NHS Lothian.

What did we do in response to the significant risk?

- We challenged management on how the IJB gains assurance over the expenditure it incurs and the basis of payments it makes to its partner bodies to deliver commissioned services. Management took this on board and ensured that the information presented to the IJB stated clearly the source of information provided by the IJB partners. Reports to the IJB at the year end also made clear that the year end outturn represented the approval by the IJB of the final expenditure incurred in commissioning services from the Council and NHS Lothian.
- As part of the year end process, the IJB obtained confirmation statements from the senior finance professional at NHS Lothian and West Lothian Council of the spend of their respective bodies on delivering services, and hence their request for payment from the IJB to cover those costs. We obtained a copy of those confirmations and agreed to the source.
- We obtained independent confirmation from the appointed auditor at both West Lothian Council and NHS Lothian of the income and expenditure transactions recorded at their respective audit clients. The confirmations agreed the income and expenditure amounts transacted in the year.

What are our conclusions?

Our testing has not identified any material misstatements relating to revenue and expenditure recognition. We did not identify any areas of significant estimation or judgement as part of our audit work in these areas.

2. Significant audit risks (cont.)



Significant risk – misstatement due to fraud or error: As identified in ISA 240, management is in a unique position to perpetrate fraud in its financial reporting because of its ability to manipulate accounting records directly or indirectly by overriding controls that otherwise appear to be operating effectively.

We respond to this risk on every engagement

Audit procedures performed	What did we find?
<i>We gave consideration to the risk of fraud, inquiring of management about their assessment of the risks of fraud and the controls put in place to address those risks. We also updated and developed our understanding of the oversight of those charged with governance over management's processes over fraud.</i>	We have not identified any material weaknesses in controls or evidence of material management override.
<i>Test the appropriateness of manual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements</i>	We obtained all journals posted by management to record the transactions of the IJB, which are hosted on the West Lothian Council financial ledger. All of the journals for the IJB's transactions were posted at the year end and we reviewed all of these in the course of our work.
<i>Review accounting estimates for evidence of management bias, including management's retrospective consideration of prior year estimates.</i>	There are no material accounting estimates included in the financial statements. We confirmed the process for ensuring that there were no claims applicable to the IJB which required provision to be made as part of its participation in CNORIS (Clinical Negligence & Other Risks Indemnity Scheme).
<i>Evaluate the business rationale for any significant unusual transactions</i>	We did not identify any significant unusual transactions outside the normal course of business.
<i>Consistency and application of accounting policies / overall presentation of financial information</i>	We consider the accounting policies adopted by the IJB to be appropriate. There are no significant accounting practices which materially depart from what is acceptable under IFRS or the Code.
What are our conclusions?	
<p>We have not identified any material weaknesses in the design and implementation of controls around journal processing. We did not identify any instances of evidence of management override of controls.</p> <p>There was no disagreement during the course of the audit over any accounting treatment or disclosure. We encountered no significant difficulties in the audit.</p>	

3. Wider scope audit & Best Value

3.1 Financial management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Green

- While there were consistent pressures on the budget during the year, there was consistency on financial forecasting during the year. The key pressures were met through an additional contribution from one of the Partners.
- The IJB has established its core financial management arrangements, and we are satisfied that these are adequate for the current management of its financial activities.

2017/18 financial statements outturn

In our audit plan we highlighted financial management as an audit focus area. The in-year financial reporting had been highlighting significant budget pressures and the need for ongoing recovery action by the Partners up to the year end. At the year-end, the IJB reported nil surplus in accordance with the budget, as set out below.

Expenditure aspect	Budget £000	Outturn expenditure £000	Variance £000
Social care	64,457	64,457	-
Health	184,114	185,904	1,790
Additional contribution in respect of health	1,790	-	(1,790)
TOTAL - IJB	250,361	250,361	-

Elements of financial management, and our assessment of the IJB's arrangements

- Is it clear why budgets have changed during the year, including how income and expenditure have changed since the budget was set at the beginning of the year?
- How accurate is financial forecasting?

The financial assurance process undertaken at the time of setting the 2017/18 budget recognised budget pressures of £2.2 million within the health budget contribution. Financial forecasting during the year reported on close working between the IJB and NHS Lothian to identify actions and recovery measures to address these pressures.

At the year end, the overall budget pressure had reduced to £1.79 million.

The Integration Scheme sets out the process to be followed for managing overspends. In this case, agreement was reached such that additional funding was provided by NHS Lothian to support the overspend, as the IJB had no reserves of its own, or other capacity to meet these pressures.

Within the health services, the most significant pressure related to set aside services where there was an overspend of £1.398 million. It is recognised that in future years expenditure needs to be managed within the available financial resources and this will require continued close partnership working between the IJB and NHS Lothian, and West Lothian Council as the operational providers of the service areas delegated to the IJB.

- Are standing financial regulations comprehensive, current and promoted within the body?
- Are there suitably qualified and experienced officials leading the body's finance team?

Financial regulations have been established for the IJB, and these are kept up to date.

In accordance with statutory requirements, the IJB appointed a Chief Finance Officer (CFO). The CFO is employed by West Lothian Council and also holds an operational role in the finance team at the council. We are satisfied therefore that the Board has made arrangements for the proper administration of its financial affairs.

3.2 Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Amber

- We have concluded that achieving financial sustainability on an underlying operational delivery basis, excluding non-recurring funding, continues to represent a challenge for the IJB.
- Management has recognised the need to establish longer term financial planning arrangements, with a draft five year financial plan reported to the Board in June 2018. The success of these is critical to supporting the achievement of the IJB's strategic objectives.

We identified in our Annual Audit Plan that service redesign and service transformation will be required in the upcoming years to enable the IJB to meet the budget pressures arising from the growth and service demand pressures in the West Lothian area. Consequently, given the identified financial pressures, this was an audit focus area for the year.

Elements of financial sustainability, and our assessment of the IJB's arrangements

We considered whether:

- financial balance has or will be achieved?
- have any short-term financial challenges been identified and addressed through a financial recovery plan?
- How appropriate are the arrangements put in place to address any identified funding gaps?

The IJB issues its Directions for the year based in the budget contributions made available to it from West Lothian Council and NHS Lothian. The assessment of the Council contribution was that this represented a balance budget position; however again pressures were identified in the baseline position with NHS Lothian with a shortfall compared to forecast expenditure of £1.953 million (1.3% of budget).

The IJB has recognised through its Directions a requirement for the Partners to work with the IJB to support preparation of a medium term financial strategy covering the delegated functions of the IJB.

A draft five year financial plan was presented to the Board in June 2018. Recognising that there is a need to make a number of assumptions over the medium term, the IJB has estimated an increase in overall resources of £13 million over the forthcoming five years. Comparing this against the forecast pressures arising from demographic and service pressures, results in a requirement to identify total budget savings of £34.5 million over the equivalent period.

At the current time, £21.2 million of savings options have been identified. Ongoing work is required to identify the remaining savings options to bring the medium term strategy into balance.

Recommendation 1

- Has a reserves strategy been put in place and how does the current level of reserves match that strategy?

The IJB approved a reserves strategy in June 2017, in recognition of this being one element of best practice in establishing the longer term financial planning process for the IJB.

Management do not expect that the IJB will establish and build reserves in the short term and so proposed that the 2% of expenditure level, equivalent to about £4.5 million was a target figure that would be subject to review.

It is noted that currently no reserves are held by the IJB.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

Amber

- While we have concluded that overall the IJB has established a sound basis to demonstrate good governance and transparency in its operational activity, Internal Audit has concluded that the governance, risk management and control framework requires improvements based on the findings in two areas, which the IJB has also recognised.
- The IJB has continued to develop its approach to risk management, with a risk management strategy approved and the risk register considered regularly by the Audit, Risk and Governance committee.

Governance and transparency

The Board and officers of the IJB are responsible for establishing robust governance arrangements. This includes ensuring effective systems of internal control, including arrangements to safeguard public money, and compliance with applicable laws and regulations.

Elements of governance and transparency, and our assessment of the IJB's arrangements

- Can the IJB demonstrate that the governance arrangements are appropriate and operating effectively.
- Is there effective scrutiny, challenge and transparency on decision making and financial and performance reports?

We have reviewed board minutes and papers and found these to set out clearly the matters considered and discussed. Standing Orders regulate how the business of the IJB is conducted. These are subject to regular review.

The Audit, Risk and Governance committee continues to operate with clearly defined terms of reference.

Standing Orders, financial regulations and registers of interests are made available on the website to provide transparency as to operation of the IJB.

A risk management strategy and the accompanying risk register highlights the risks. Mitigating controls, residual risk and accompanying actions have been further developed and reported during the year to the IJB and also to the Audit, Risk and Governance committee, in its oversight role to monitor the IJBs risk management arrangements.

- Is the governance framework sound and are the governance arrangements effective?
- Is the Governance Assurance Statement complete and does it reflect key findings from audit, scrutiny and inspection?

Internal Audit's opinion for the year was that based on Internal Audit investigations and reports throughout the year, areas were identified where improvements are required and confirmed that recommendations would be followed up and reported. For 2017/18 the Internal Auditor's conclusion is that the framework of governance, risk management and control requires improvement, based on the findings in two areas. Key outputs from Internal Audit were in relation to the audit of workforce planning and performance management.

We reviewed the Annual Governance Statement within the financial statements against the required guidance.

While the IJB acknowledges that corporate governance standards have been substantially met, there are required areas for improvements. This was in relation to the audit of workforce planning and performance management. We were satisfied that it met the requirements and was consistent with both the governance framework and key findings from relevant audit activity.

Value for money is concerned with using resources effectively and continually improving services.

Amber

- In response to the need to measure performance and progress against the IJB's Strategic Plan, we have concluded that the IJB has identified local improvement goals to measure its performance which are appropriate to the stated national goals. In addition sources of data and information have been identified and reported to the Board.
- While IJB's annual performance report was considered by the Board before the 31 July deadline, the report was not finalised and published in line with the timeline requirements of the Act.

Monitoring of performance and achievement of better outcomes for the resources available is key to the demonstration of value for money. Integration joint boards are required under the legislation to prepare an annual performance report by 31 July.

The IJB prepared and published its Annual Performance Report by the statutory deadline of 31 July 2017, which sets out how the IJB performed during the year, in particular in making progress against its Strategic Plan 2016-2020.

In respect of 2017/18, the Annual Performance Report was considered for approval by the IJB at its meeting on 26 June 2018. The Board considered a report by the director presenting the most up-to-date performance against health and social care integration indicators. While the report was considered by the Board before 31 July deadline, the report was not published in final form before the reporting deadline of 31 July 2018.

Recommendation 2

Audit Scotland national performance audit

During the year, management supported completion of an auditor information request which is forming part of the key evidence for Audit Scotland's second Health and Social Care Integration report, along with other evidence such as auditors' annual audit reports and the audited accounts.

The overall aim of this audit is to examine the impact public bodies are having as they work together to integrate health and social care services in line with the Public Bodies (Joint Working) (Scotland) Act 2014.

In particular, the audit will consider the following questions:

- What impact is integration having and what are the barriers and enablers to this change?
- How effectively are integration authorities planning sustainable, preventative and community based services to improve outcomes for local people?
- How effectively are integration authorities (IAs), NHS boards and councils implementing the reform of health and social care integration?
- How effectively is the Scottish Government supporting the integration of health and social care and evaluating its impact?

The report is currently scheduled to publish in November 2018.

Appendices

- A – Code of Audit Practice: responsibilities
- B – Independence and audit quality
- C – Required communications with the Audit, Risk and Governance committee
- D – Action plan

In our Annual Audit Plan, we provided a summary of the responsibilities on audited bodies falling within the public sector audit framework, as set out in the Code of Audit Practice (the Code).

Responsibilities of audited bodies

Corporate governance	Each body, through its chief executive or accountable officer, is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies should involve those charged with governance (including audit committees or equivalent) in monitoring these arrangements.
Financial statements and related reports	<p>Audited bodies must prepare an annual report and accounts containing financial statements and other related reports. They have responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation. • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support their financial statements and related reports disclosures. • ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority. • maintaining proper accounting records. • preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements. Management commentary should be fair, balanced and understandable and also clearly address the longer-term financial sustainability of the body. <p>Management, with the oversight of those charged with governance, should communicate clearly and concisely relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework.</p> <p>Audited bodies are responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at their disposal. They are also responsible for establishing effective and appropriate Internal Audit and risk-management functions.</p>
Standards of conduct / prevention and detection of fraud and error	Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and also to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.
Financial position	<p>Audited bodies are responsible for putting in place proper arrangements to ensure that their financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • such financial monitoring and reporting arrangements as may be specified • compliance with any statutory financial requirements and achievement of financial targets • balances and reserves, including strategies about levels and their future use • how they plan to deal with uncertainty in the medium and longer term • the impact of planned future policies and foreseeable developments on their financial position.
Best Value	<p>Local authority bodies have a statutory duty, under the Local Government (Scotland) Act 1973 and associated statutory guidance, to make arrangements to secure best value through the continuous improvement in the performance of their functions.</p> <p>Specified audited bodies also have to prepare and publish performance information in accordance with directions issued by the Accounts Commission.</p>

B. Independence and audit quality



Professional ethical standards, and the Terms of our Appointment, require us to communicate all significant facts and matters that have a bearing on EY's objectivity and independence as auditor of the IJB.

What we are required to communicate

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY), its directors and senior management and affiliates, and you, including all services provided by us and our network to you, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2017 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Confirmations

We confirm that there are no changes in our assessment of independence since our confirmation in our Annual Audit Plan, dated 28 March 2018.

We complied with the Financial Reporting Council's Ethical Standards and the requirements of Audit Scotland's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that management and members of the IJB consider the facts known collectively to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Audit, Risk and Governance committee on 12 September 2018.

Audit fees – payable to us in the respect of the year ended 31 March 2018

Component of fee:	2017/18	2016/17
Total agreed auditor remuneration	£16,470	£19,800
Audit Scotland fixed charges:		
Pooled costs	£1,460	£1,040
Performance audit and best value	£5,020	£3,790
Audit support costs	£1,050	£710
Total fee	£24,000	£25,340

Audit Quality

International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

The EY 2017 UK Transparency Report, volumes one and two, can be accessed on our website at www.ey.com/uk/en/about-us/ey-uk-transparency-report-2017. This material is published to provide a timely and relevant source of information about EY in general, and our audit business in particular.

The disclosures are extensive. For example, they explain our outlook and how we are structured and governed, including the role of our Independent Non-Executives and how we apply the requirements of the UK's Audit Firm Governance Code. We refer to the quality of our audits and our commitment to recruiting, developing and diversifying our people and talent pool. We also explain how we manage our risks and remain innovative and technologically advanced in what we do and how we do it.

Maintaining high audit quality across all of our engagements is of paramount importance to us. Our transformational Audit Quality Programme continues and is a part of the global EY Sustainable Audit Quality Programme (SAQ).

Our Audit Quality Board (AOB) continues to oversee all matters relating to audit quality and sets the agenda for the Audit Quality programme. The AOB meets monthly and also holds an annual strategy session. The AOB reports to the EY UK Board. The AOB receives regular updates on regulatory matters, results of internal and external reviews, results of root cause analysis, resourcing, the SAQ programme and pursuit approvals, as well as a comprehensive dashboard on quality measures.

Our Audit Quality Support Team (AQST), which started within the SAQ programme, reviews 40 to 50 audits each audit cycle providing challenge and guidance to the engagement teams. These are in-depth reviews carried out by experienced auditors independent of the audit team. AQST reviews enhance the quality of both the audit under review and other audits on which team members apply the lessons learned. The AQST has now become a business-as-usual function.

Audit Scotland – Audit Quality Framework / Annual Audit Quality Report

Audit Scotland's Appointments and Assurance Team are responsible for applying the new Audit Quality Framework across all financial audits and performance and Best Value audits. This covers the quality of audit work undertaken by Audit Scotland staff and appointed firms. The team are independent of audit delivery and provide assurance on audit quality to the Auditor General and the Accounts Commission.

We support Audit Scotland in their commitment to reporting on audit quality through responding to requests for information and providing the results of internal quality reviews undertaken in respect of relevant public sector audits in Scotland.

The most recent audit quality report which covers our work at the IJB since appointment can be found at: www.audit-scotland.gov.uk/uploads/docs/report/2018/as_audit_quality_1718.pdf.

Required communication	Our reporting to you
<p>Terms of engagement / Our responsibilities</p> <p>Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.</p> <p>Our responsibilities are as set out in our engagement letter.</p>	<p>Audit Scotland Terms of Appointment letter – audit to be undertaken in accordance with the Code of Audit Practice</p>
<p>Planning and audit approach</p> <p>Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.</p>	<p>Annual Audit Plan</p>
<p>Significant findings from the audit</p> <ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Significant difficulties, if any, encountered during the audit • Significant matters, if any, arising from the audit that were discussed with management • Written representations that we are seeking • Expected modifications to the audit report • Other matters if any, significant to the oversight of the financial reporting process 	<p>This Annual Audit Report</p> <p>We request written representation from you in respect of key matters arising during the course of our audit, and in accordance with auditing standards. A copy of this letter is provided for your consideration and signature at the time of approval of the financial statements.</p>
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements 	<p>No conditions or events were identified, either individually or together to raise any doubt about the IJB's ability to continue for the 12 months from the date of our report.</p>
<p>Misstatements</p> <ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Corrected misstatements that are significant • Material misstatements corrected by management 	<p>This Annual Audit Report</p>
<p>Fraud</p> <ul style="list-style-type: none"> • Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • A discussion of any other matters related to fraud 	<p>This Annual Audit Report</p>
<p>Consideration of laws and regulations</p> <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of 	<p>Annual Audit Report</p> <p>We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations.</p>

Required communication	Reference
<p>Related parties</p> <p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the entity 	<p>No significant matters have been identified.</p>
<p>Independence</p> <p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Annual Audit Plan</p> <p>This Annual Audit Report – Appendix B</p>
<p>Internal controls</p> <p>Significant deficiencies in internal controls identified during the audit</p>	<p>This Annual Audit Report – no significant deficiencies reported</p>
<p>Subsequent events</p> <ul style="list-style-type: none"> • Where appropriate, asking the audit committee whether any subsequent events have occurred that might affect the financial statements. 	<p>We have asked management and those charged with governance. We have no matters to report.</p>
<p>Material inconsistencies</p> <p>Material inconsistencies or misstatements of fact identified in other information which management has refused to revise</p>	<p>This Annual Audit Report</p>

This action plan summarises specific recommendations included elsewhere within this Annual Audit Report. We have graded these findings according to our consideration of their priority for the IJB or management to action.

Classification of recommendations			
Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.		Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.	Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.
No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
1	<p>The IJB has estimated an increase in overall resources of £13 million over the forthcoming five years. Comparing this against the forecast pressures arising from demographic and service pressures, results in a requirement to identify total budget savings of £34.5 million over the equivalent period.</p> <p>At the current time, £21.2 million of savings options have been identified. Ongoing work is required to identify the remaining savings options to bring the medium term strategy into balance.</p>	<p>While the IJB has taken forward its financial strategy, significant work is still required to ensure that actions to address both the in-year position, as well as the forecast pressures are addressed on a timely basis.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>An update on the 2018/19 budget position for IJB delegated functions will be reported to all Board meetings during 2018/19. Further development of a medium term financial plan and savings proposals will be progressed during 2018/19 and reported to the Board.</p> <p>Timescale - Ongoing during 2018/19.</p>
2	<p>Integration joint boards are required under the legislation to prepare an annual performance report by 31 July.</p> <p>The 2017/18 Annual Performance Report was considered for approval by the IJB at its meeting on 26 June 2018. While the report was considered by the Board before 31 July deadline, the report was not published in final form before the reporting deadline of 31 July 2018.</p>	<p>The IJB should ensure that the Annual Performance Report is finalised and published in final form in accordance with the Act.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>The 2017/18 Annual performance report has been finalised and published. Arrangements have been identified to ensure timescales are met for future years.</p> <p>Timescale – Completed.</p>

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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WEST LOTHIAN INTEGRATION JOINT BOARD ANNUAL ACCOUNTS 2017/18

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Accounts of West Lothian Integration Joint Board (IJB) for the period to 31 March 2018, prepared pursuant to Section 105 of the Local Government (Scotland) Act 1973 and in accordance with the terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

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Independent auditor's report to the members of West Lothian Integration Joint Board and the Accounts Commission

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of West Lothian Integration Joint Board (the "IJB") for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the 2017/18 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the IJB as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the IJB in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the IJB's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of West Lothian Integration Joint Board and the Accounts Commission (continued)

Responsibilities of the Chief Finance Officer and IJB's Audit, Risk and Governance Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the IJB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The IJB's Audit, Risk and Governance Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual accounts

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of West Lothian Integration Joint Board and the Accounts Commission (continued)

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In our opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Stephen Reid, *for and on behalf of Ernst & Young LLP*

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MANAGEMENT COMMENTARY

Introduction

The Public Bodies (Joint Working) (Scotland) Act 2014 established the legal framework for integrating health and social care in Scotland. The West Lothian Integration Joint Board (IJB) was established as a body corporate by order of Scottish Ministers on 21 September 2015 and is a separate and distinct legal entity from West Lothian Council and NHS Lothian. The arrangements for the IJB's operation, remit and governance are set out in the Integration Scheme which has been approved by West Lothian Council, NHS Lothian and the Scottish Government.

Functions and associated budget resources for relevant IJB functions, per the approved Integration Scheme, were delegated to the IJB from 1 April 2016.

The Management Commentary outlines the key messages on the IJB's planning and performance for the year 2017/18 and how this has supported the delivery of the IJB's strategic priorities. The commentary also looks forward, outlining the 2018/19 financial plan and future financial considerations over the medium term. In addition, key risks and challenges are set out that will need to be managed to best meet the needs of the West Lothian population going forward.

The Role and Remit of the IJB

The IJB's primary purpose is to set the strategic direction for the delegated functions through the development of a Strategic Plan. The IJB is delegated relevant health and social care functions and budget resources from the council and NHS Lothian to enable it to plan the delivery of delegated functions at an overall health and social care level and deliver on strategic outcomes. The IJB is responsible for the strategic commissioning of health and social care services across client groups and functional areas, and gives directions to the council and NHS Lothian for the operational delivery of functions and the resources available to them for this. This arrangement recognises that the IJB does not employ any staff directly delivering services and does not hold cash resources or operate a bank account of its own.

Under the legislation and as part of the approved Integration Scheme, the IJB is delegated responsibility for a wide range of health and social care functions including adult social care, primary care and community health services, a range of hosted services including Oral Health and Learning Disabilities. A range of acute hospital services largely relating to unscheduled care are also delegated to the IJB.

The IJB meets on a six weekly basis and comprises eight voting members, made up of four elected members appointed by West Lothian Council and four NHS Lothian non-executive directors appointed by NHS Lothian. A number of non-voting members of the Board including the IJB Director and Chief Finance Officer, and service and staffing representatives are also on the Board as advisory members.

West Lothian information

An important aspect of planning health and social care functions is understanding the needs of the West Lothian population. West Lothian has a growing population. By 2026, it is estimated that West Lothian will have a population of 191,979, an increase of 6.6% on the 2016 population, the 6th highest percentage change in population size of the 32 local authority areas in Scotland. An estimated 2.2% of this increase will be due to natural change (i.e. more births than deaths) and 4.4% due to net migration. The average age of the population is increasing as the baby boomer generation ages and more people are expected to live longer. The 75 and over age group is projected to see the largest percentage increase (46%) which will place increasing demands on health and social care.

Over a third of the West Lothian elderly population report that they have one or more long term condition. With long term condition prevalence increasing with age, only 5.6% of those over 85 years report that they considered themselves to be in good health. The growth in the elderly population is having a significant impact on demand with increasing complexity and frailty.

The physical, mental and social wellbeing of the local population is influenced by the wider determinants of health, including deprivation, employment, education, housing and the environment. Approximately 41% (75,000) of the West Lothian population live in the most deprived quintiles and for almost every health indicator there is a clear gradient showing progressively poorer health and decreasing affluence and influence which has a direct impact on demand and complexity across General Practice, unscheduled hospital admissions and community care. It will be important to take account of this through IJB planning for future service delivery.

The Public Bodies (Joint Working) (Scotland) Act 2014 and the West Lothian Integration Scheme stress the importance of the IJB acting as a means of ensuring progress on integration and improved joint working across council delivered social care services and NHS delivered health care services. An effective working relationship and consistent understanding of future care models from planning through to operational delivery is an essential requirement across the IJB, NHS Lothian and West Lothian Council in order to meet future challenges.

Organisational Developments and Performance

It is recognised both nationally and locally that whilst health and care needs of individuals are closely intertwined, there is scope to further improve the coordination and integration of services. The way health and social care services are delivered can have a significant impact on shifting the balance of care from hospital to community care, reducing health inequalities and reducing emergency admissions and delayed discharge.

Taking account of West Lothian's needs, the IJB has a Strategic Plan which aims to deliver the Scottish Government's nine national health and wellbeing outcomes for integration. These are the high level outcomes of health and social care integration which integration will be measured against, and are noted below.

- People are able to look after and improve their own health and wellbeing and live in good health longer
- People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community
- People who use health and social care services have positive experiences of those services, and have their dignity respected
- Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services
- Health and social care services contribute to reducing health inequalities
- People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their health and wellbeing
- People who use health and social care services are safe from harm
- People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide
- Resources are used effectively and efficiently in the provision of health and social care services

A core suite of integration indicators are used to demonstrate progress in achievement of the national health and wellbeing outcomes above. In addition to this, the IJB uses a Balanced Scorecard

approach incorporating the integration indicators as well as relevant Local Delivery Plan indicators and other measures to monitor performance

The Scottish Government in partnership with COSLA have agreed service delivery areas that will be tracked across IJBs to measure performance under integration. These areas take account of the Scottish Government Health and Social Care Delivery Plan published in December 2016. The areas that are measured as a means of reviewing progress on integration are:

1. Unplanned Admissions
2. Number of bed days for unscheduled care
3. Accident and Emergency Performance
4. Delayed Discharge Performance
5. End of Life Care
6. Shifting the balance of spend across institutional and community services

Taking account of this, West Lothian IJB has an agreed West Lothian Health and Social Care Delivery Plan which sets out target outcomes against each of the six performance areas at a West Lothian level. Local actions, objectives, performance measures and timescales are set out in the Plan as a structured basis for achieving the progress and outcomes required and updates on progress are regularly reported to the IJB. A performance update against these objectives is submitted to the Scottish Government on a six monthly basis.

Performance in respect of delayed discharges continues to be challenging with main contributing factors being Care at Home and Care Home capacity. Daily multidisciplinary meetings have been established to support discharge planning. The rehabilitation pathway is being reviewed to streamline activity and support a discharge to assess model building on successful project in stroke pathway. The care at home contract is due for renewal in 2019 and preparations are underway with procurement on the tendering process.

The IJB has a strong performance management culture in partnership with NHS Lothian and West Lothian Council. A wide range of performance information is used to provide the IJB with regular reports on the delivery of commissioned services and progress against associated targets and outcomes. Close joint working arrangements are in place between the IJB, NHS Lothian and West Lothian Council to ensure robust and accurate information on strategic and operational performance is provided. Performance is reported at a number of levels, including on a quarterly basis to the Integration Strategic Planning Group and the IJB, and on a monthly basis to the Health and Social Care Partnership Senior Management Team.

The West Lothian IJB's first Annual Performance Plan was published in July 2018. The draft 2017/18 Annual Performance report was reported to the IJB for consideration at its meeting on 26 June 2018 and agreed it would be approved for publication by the Chief Officer. The finalised 2017/18 Annual Performance Report is available using the link below.

http://www.westlothianhsc.org.uk/media/27410/West-Lothian-IJB-Annual-Performance-Report-201718/pdf/West_Lothian_IJB_Annual_Performance_Report_2017_18.pdf

Review of Strategic Plan

As noted, the Strategic Plan takes account of the integration delivery principles and the national health and wellbeing outcomes. The Act also includes provision for review of the Strategic Plan and this is undertaken on an annual basis. Based on the most recent review of the Strategic Plan, the Board have agreed that a new Strategic Plan should be developed to drive forward the transformational change required in health and social care. Since the previous Strategic Plan was agreed in early 2016, it has become evident that the strategic and financial challenges impacting on

performance and delivery require the Strategic Plan to be refreshed, and the objective is that a new Strategic Plan will be brought to the IJB for approval in December 2018.

It is proposed that the Strategic Plan will cover a five year period which will be consistent with the five year financial plan period for IJB functions. This will allow for integrated strategic and financial planning over 2018/19 to 2022/23.

The IJB commissions service delivery through NHS Lothian and West Lothian Council and receives the necessary information to allow it to monitor and report on performance of the services it has commissioned. It is further intended that strategic commissioning plans will be reviewed during 2018/19 to ensure that the strategic and financial challenges are fully reflected.

Financial Performance 2017/18

Financial information is part of the performance management framework with regular reporting of financial performance to the IJB. This section summarises the main elements of financial performance for 2017/18.

Expenditure on IJB Delegated Functions

Financial management, governance and accountability arrangements for IJB delegated functions are set out in the West Lothian Integration Scheme, and also by the IJB Financial Regulations.

A financial assurance process was undertaken on the funding contributions for 2017/18 made available by NHS Lothian and West Lothian Council. Through this, baseline pressures of £2.200 million were initially identified in the Health budget contribution to the IJB for 2017/18, with the council contribution assessed as representing a balanced budget contribution.

During the year the IJB worked closely with NHS Lothian to identify measures to mitigate the funding shortfall in the NHS Lothian contribution and at the year end the full value of the pressure had reduced to £1.790 million with this balance being funded by NHS Lothian through their achievement of an overall breakeven position. The NHS health services expenditure therefore matched income from NHS Lothian. In addition, council care services expenditure at the year end also matched income from West Lothian Council allowing the IJB to achieve a balanced position for 2017/18.

IJB delegated services saw continued demand growth during 2017/18. Within community care, both elderly care home and care at home demands / expenditure increased significantly reflecting a growing elderly population who are living longer with more complex needs. Growth in demands within learning and physical disability care also increased significantly, reflecting increasing needs and a shift in the balance of care from health to community care in line with integration objectives.

Within health delivered services, by far the most significant pressure related to set aside acute hospital services where there was an overspend of £1.398 million. Junior medical staffing pressures relating to seven day working, non-compliant rotas and the use of locum staff to cover rotas was a major contributing factor to the overspend. In addition, difficulties in recruiting and the resulting requirement for agency staff in Accident and Emergency and General Medicine areas has also been a key contributing factor. Substantial work has been undertaken to improve the prescribing budget position for 2017/18 including prioritisation of additional funding and the introduction of a new effective prescribing fund of £2 million for 2017/18 across Lothian, and pressures in this area, while still evident, have reduced substantially.

The Health figures include expenditure and income for non-cash limited services such as community opticians, community pharmacists and community dentists. NHS Boards receive non-cash limited budgets for such items, whereby the Scottish Government will adjust the NHS Board budget for any over or under spends at the year end.

These are however still NHS Board budgets and for the purposes of the IJB accounts it has been agreed by the Scottish Government and CIPFA that they should be included in the delegated budget and services within the IJB's remit.

The spend and income associated with West Lothian IJB non-cash limited services in 2017/18 was £18.282 million.

Both West Lothian Council and NHS Lothian have confirmed that there will be no charge to the IJB for central administration functions they provide in support of the IJB.

It will be important moving forward to 2018/19 and future years that expenditure is managed within the financial resources available and this will require close partnership working between the IJB as service commissioner, and NHS Lothian and West Lothian Council as operational providers of services.

Future Financial Plans and Outlook

The 2018/19 budget contributions from NHS Lothian and West Lothian Council have been taken account of in Directions issued to Partners for 2018/19. While the council contribution represents a balanced budget position, the NHS Lothian contribution represents a funding shortfall compared to forecast expenditure of £1.953 million (equivalent to 1.3% of the Health contribution). Taking account of this, it will be crucial that early action is taken to identify options to manage this pressure and ensure a balanced position is achieved for 2018/19.

The IJB has a statutory responsibility for delegated health and social care functions in relation to the strategic planning of future health and social care delivery. Plans for this are developed via the health and social care management team and council and NHS Lothian staff supporting the IJB. The IJB's strategic plan and strategic commissioning plans will help inform decisions around prioritisation of resources, new models of service delivery and disinvestment decisions, all of which will be necessary in the medium term financial planning process associated with health and social care services.

As part of the agreed IJB Directions to NHS Lothian and West Lothian Council, there is a requirement for the Partners to work with the IJB on the preparation of a medium term financial strategy for IJB delegated functions. This reflects that strategic planning of future service delivery and financial planning are intrinsically linked. An informed approach to future service delivery must take account of assumptions around available resources as resource availability will be a key determinant in shaping future service delivery.

With regard to future years, health and social care services will be faced with significant challenges to meet demands and operate within tight fiscal constraints for the foreseeable future. In line with the Board's agreed approach to IJB financial planning, budget plans have been and continue to be developed across IJB health and social care functions with the objective that overall health and social care considerations are taken into account in joint IJB / Partner financial planning.

Taking account of this a draft five year financial plan was reported to the Board on 26 June 2018. Based on current planning assumptions, IJB resources are estimated to increase by £13 million over the five year period to 2022/23. Based on inflationary and demand growth assumptions, this is estimated to result in a requirement for £34.5 million of budget savings to be achieved over the five year period to control spend within the assumptions of available funding. At this stage, £21.2 million of saving options have been identified against this requirement and work is progressing to identify further savings using a robust project management approach.

The nature of medium to long term financial planning means that identifying expenditure and funding growth for future years is challenging and uncertain. However, it is widely acknowledged by bodies such as Audit Scotland and CIPFA that a short-term annual budgeting process is not conducive to

achieving the aims consistent with planning to meet future demands and prioritising resources to achieve this.

Significant financial risks over the medium terms can be summarised as follows:

- The wider financial environment continues to be challenging, with a high degree of volatility in the economy and uncertainties around Brexit
- Increased demand and expectations around services alongside constrained resources
- The impact of demographic changes is particularly relevant to West Lothian, which is forecast to have the highest growth in Scotland in the over 75 years age group
- Additional costs associated with new legislative and policy requirements may not be accompanied with adequate additional funding resources
- Failure to implement new models of care which are necessary to shift the balance of care, and allow effective care to be delivered within the resources available and in line with the IJBs Strategic Plan

IJB Risk Management

In accordance with the Risk Management Strategy approved by the IJB, all agreed risks are reported to the IJB Senior Management Team every two months, to the IJB Audit, Risk and Governance Committee every 6 months, and to the IJB annually. In addition, an update on all risks categorised as high are reported to each meeting of the Audit, Risk and Governance Committee.

Key aspects used in the reporting of IJB risks are the internal controls in place to reduce the level of risk and updates on risk action measures which are intended to further reduce the level of risk.

Conclusion

The second year of West Lothian Integration Joint Board having responsibility for delegated functions and resources has seen the review and development of strategic planning, performance reporting and the introduction of medium term financial planning. The IJB has successfully overseen the delivery of all core services and the development and implementation of major service changes such as the Frailty programme, mental health redesign and the approval of revised eligibility thresholds for social care.

There has been increased joint working across health and social care to integrate service delivery in areas such as supporting older people to stay in their homes and to return home from hospital as soon as possible.

Prudent financial management and close joint working with NHS Lothian and West Lothian Council has allowed the IJB to successfully deliver on a range of outcomes and manage delegated financial resources within a challenging financial and operating environment.

The pace of change will continue to be challenging and a joined up approach to strategic and financial planning will be key to ensuring that the future delivery of quality care services to the West Lothian population is managed within available resources.

We would like to acknowledge the significant effort of all the NHS Lothian and West Lothian Council staff in supporting the IJB and look forward to building on the progress that has been made during 2017/18.

Martin Hill

Chair

24 September 2018

Jim Forrest

Chief Officer

24 September 2018

Patrick Welsh

Chief Finance Officer

24 September 2018

STATEMENT OF RESPONSIBILITIES

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Financial Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts

I confirm that these Annual Accounts were approved for signature at a meeting of the West Lothian IJB Audit, Risk and Governance Committee at its meeting on 24 September 2018

Signed on Behalf of West Lothian Integration Joint Board

Martin Hill

Chair of West Lothian Integration Board

24 September 2018

Responsibilities of the Chief Finance Officer

The Chief Financial Officer is responsible for the preparation of the Integration Joint Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the chief financial officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the local authority Code (in so far as it is compatible with legislation)

The chief financial officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the financial statements give a true and fair view of the financial position of the West Lothian Integration Joint Board as at 31 March 2018 and the transactions for the year then ended.

Patrick Welsh

Chief Finance Officer

24 September 2018

REMUNERATION REPORT

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit and all other sections of the Remuneration Report will be reviewed by Ernst and Young LLP and any apparent material inconsistencies with the audited financial statements will be considered as part of their audit report.

Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by West Lothian Council and NHS Lothian. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other Board members relating to their role on the IJB. The IJB does not reimburse the relevant Partner organisations for any voting board member costs borne by the Partner. The details of the Chair and Vice Chair appointments and any expenses paid by the IJB are shown below.

Name	Post(s) Held	Nominated by
Danny Logue	Chair April 2017 to May 2017	West Lothian Council
Harry Cartmill	Chair June 2017 to August 2017 Vice Chair September 2017 to March 2018	West Lothian Council
Martin Hill	Vice Chair April 2017 to August 2017 Chair September 2017 to March 2018	NHS Lothian

There were no IJB specific expenses recorded for voting members of the IJB during 2016/17 or 2017/18. Any expenses claimed by voting members are paid through the relevant IJB Partner organisation. The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore no pension rights disclosures are provided for the Chair or Vice Chair. The other voting members of the IJB during 2017/18 are noted below.

John McGinty – West Lothian Council (April to June 2017)

Anne McMillan – West Lothian Council (April to June 2017)

Frank Toner – West Lothian Council (April to June 2017)

Alex Joyce – NHS Lothian

Lynsay Williams - NHS Lothian

Damian Timson – West Lothian Council (From June 2017)

George Paul – West Lothian Council (From June 2017)

Dave King – West Lothian Council (From June 2017)

Susan Goldsmith – NHS Lothian (April to September 2017)

Martin Connor – NHS Lothian (From October 2017)

Remuneration: Officers of the IJB

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the board.

Chief Officer

The remuneration of the Chief Officer is set by NHS Lothian and a contract of employment is in place with NHS Lothian. In line with the Public Bodies (Joint Working) (Scotland) Act 2014, the Chief Officer and the Chief Finance Officer are regarded as employees of the Integration Joint Board when undertaking duties for the Board in relation to delegated functions. Both the Chief Officer and Chief Finance Officer also have operational roles with NHS Lothian and / or West Lothian Council and it is estimated that approximately 50% of their time is associated with their IJB duties. For the purposes of the IJB remuneration report and transparency of their salary costs, 100% of their remuneration has been shown.

Other Officers

Total 2016/17 £000	Senior Employees	Salary, Fees & Allowances £000	Compensation for Loss of Office £000	Total 2017/18 £000
100	Jim Forrest Chief Officer	103	Nil	103
57	Patrick Welsh Chief Finance Officer	63	Nil	63
157	Total	166	Nil	166

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing Partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/17 £000	For Year to 31/03/18 £000		Difference from 31/03/17 £000	As at 31/03/18 £000
Jim Forrest Chief Officer	14	15	Pension	3	56
			Lump sum	9	167
Patrick Welsh Chief Finance Officer	12	13	Pension	2	17
			Lump sum	1	22
Total	26	28	Pension	15	262

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000

Number of Employees in Band 2016/17	Remuneration Band	Number of Employees in Band 2017/18
1	£55,000 - £59,999	0
0	£60,000 - £64,999	1
1	£100,000 - £104,999	1

Jim Forrest
Chief Officer
24 September 2018

Martin Hill
Chair
24 September 2018

IJB ANNUAL GOVERNANCE STATEMENT

Corporate Governance

Corporate governance is comprised of the systems, processes, culture and values by which the Board is directed and controlled, and the activities through which it is accountable to, engages with and leads the West Lothian community. It is the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. Public sector public governing bodies and individuals working for them must try to achieve their entity's objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

The Board and its members, voting and non-voting, have overall responsibility for good governance arrangements – for establishing its values, principles and culture, for ensuring the existence and review of an effective governance framework, and for putting in place monitoring and reporting arrangements. Corporate governance is an essential back-office corporate service necessary to assist the effectiveness of setting, monitoring, achieving and reporting on priorities and outcomes, both national and local.

Whilst retaining its responsibility and overview of those arrangements, the Board has entrusted the delivery of some of those tasks to committees (especially its Audit, Risk & Governance Committee) and to its Director and to officers employed by West Lothian Council and NHS Lothian who serve and support the Board. That delegation does not remove or negate the responsibility of all the Board's members for governance.

The statutory relationship amongst the Board, the council and the health board is a complex one. The Integration Scheme contains the agreement reached between the council and the health board in seeking to have the Board established. It cannot be changed without going through a formal statutory review process. The Board's governance arrangements provide the additional guidance and control necessary to make that relationship work for the benefit of service users and other stakeholders. The governance framework is made up of corporate documents, policies and procedures which are designed to guide and assist the Board in doing its business in accordance with the law and with proper standards and principles; ensuring that public money is safeguarded and used economically, efficiently and effectively; and fulfilling the statutory duty to secure best value.

Structure and powers

The Board is a statutory body established by the Scottish Parliament. It is responsible for the integrated functions delegated to it by the council and the health board. It makes a strategic plan for delivery of the health and social care services which go along with the integrated functions. It receives financial contributions from the council and health board, and to a small extent directly from the Scottish Government. It then directs the council and the health board in how they should deliver the integrated functions on its behalf and allocates financial resources to allow them to do so. The Board has responsibility for adult and older people's health and social care services. Those for children and young persons and criminal justice services, are delivered directly by the council and the health board through separate voluntary partnership working arrangements.

The Board has delegated some of its responsibilities to other internal bodies:-

- It established an Appointments Committee to fill the posts of Director, Chief Financial Officer, Internal Auditor and Standards Officer. It has not had to meet in 2017/18

- It established an Audit Risk & Governance Committee with scrutiny powers in relation to risk management, corporate governance and internal and external audit reports. It meets quarterly and the public has access to its meetings and meeting papers
- It established the Strategic Planning Group in accordance with legislation and guidance which again meets in public in relation to development, review and progressing the strategic plan
- It established a Health and Care Governance Group, chaired by a Board member, to provide a focus for clinical and social care issues and concerns and to advise the Board where appropriate

All of the Board's activities are carried out within the terms of relevant legislation, guidance and the statutory Integration Scheme. Its decision-making is carried out Standing Orders and other internal rules and procedures which are reviewed on a three-year cycle. They are principally made up of:-

- Standing Orders, governing the way Board and committee meetings are conducted
- Remits and procedural rules for committees and working groups
- Scheme of Delegation to Officers setting out the responsibilities and powers allocated to senior officers
- Financial Regulations which set the rules and procedures for financial, budget and treasury management
- Strategic Plan, Annual Financial Statement and Directions

The Board must publish a statutory performance report within 4 months of the end of any financial year. It requires information from the council and the health board in relation to their performance of the integrated functions which have been specified in Directions issued by the Board. That also means that regular and periodic information is required to allow service performance to be assessed continuously and to inform the annual report. That information is provided with reference to a list of agreed indicators and from that the Board maintains its own performance records against the commitments and outcomes given in its Strategic Plan. Those reports are considered at Board meetings and so all members are aware of performance information and concerns. Performance management and reporting arrangements have been under review during the year.

The Board's Financial Regulations call for quarterly budget monitoring reports to be presented to the Board. They also call for at least an annual financial assurance report to the Board to enable it to proceed with the budgetary process, the publication of its annual financial statement and issuing Directions to the council and health board. These reports have been and will continue to be made as required.

The Board has adopted a revised Risk Management Strategy. Risks and the developing Risk Register were periodically reported to and were considered at the Board, the Strategic Planning Group and Audit Risk & Governance Committee Meetings.

The Board

The Board's membership and operating arrangements are controlled by statute. Board decisions are made by eight voting members, four from each of the council and the health board. It also has non-voting members who are senior council or health board professionals or are representatives of the users and providers of health and social care services.

There have been significant changes to the Board's voting members during the year. Those were mainly a result of the local government elections in May 2017. Health board members have changed as well. Induction and development sessions have taken place. In accordance with the Integration Scheme, the Chair was taken by a health board member in September 2017 with a council member taking the position of Vice-Chair. At the same time the position of Chair and Vice-

Chair of the Audit Risk & Governance Committee switched between the council and the health board.

The Board continues to meet approximately every six weeks. It maintains a Work Plan which is reviewed at every meeting. Its work has been assisted by a series of Board development sessions outside the constraints of a formal meeting when discussions could take place about issues of growing or particular concern and the long-term plans for the Board and its work. The Board deals with significant strategic and financial decisions and monitors and oversees financial and service performance and risk monitoring arrangements. It meets in public except in very strictly defined circumstances. All of its meetings in the year were open to the public.

Management

Under the terms of the governing legislation the Board only has one member of staff – its Director (Chief Officer). The Director was recruited on the formal establishment of the Board. He heads the joint management team and staff responsible for delivering the integrated services in accordance with Board directions. He is accountable to the Board, but also to the Chief Executives of the council and the health board. The Director is a non-voting Board member.

The legislation which applies to the Board in relation to accounting and finance matters requires the Board to appoint a Chief Financial Officer. That role is to be performed in accordance with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016). It sets out the requirement for the Chief Financial Officer to be professionally qualified and sets out the criteria for qualification. The Board has appointed its Chief Financial Officer who fulfils these criteria and operates in accordance with the Board's Financial Regulations, reporting regularly to the Board on budgetary performance and compliance and on financial assurance. The Chief Financial Officer produces the Board's annual financial statement. The role is undertaken in accordance with the relevant statutory rules, guidance and standards. The Chief Financial Officer is a non-voting Board member.

The Board is required to operate a professional and objective internal audit service. The council's Audit Risk and Counter Fraud Manager is appointed as the Board's Internal Auditor. Internal audit is an independent appraisal function which examines and evaluates systems of financial and non-financial control. Internal audit operates in accordance with the "Public Sector Internal Audit Standards: Applying the IIA International Standards to the UK Public Sector" (PSIAS). An annual audit plan is prepared based on an assessment of risk and is approved by the Audit Risk & Governance Committee. Internal audit reports are issued to the committee in relation to the outcome of significant proactive and reactive reports. There is annual reporting to the committee of internal audit activities and to give assurance about the independence, effectiveness and soundness of the service.

Risk management is supervised on the officer side of the council by the Internal Auditor. Risk management is also embedded at a service level in the senior management team who are responsible for the delivery of the Board's integrated functions. The management team monitor, assess and mitigate risk at service level as a matter of routine at their management team meetings. That process continues at lower levels in each service's management structure.

Under the ethical standards legislation the Board requires to appoint a Standards Officer. The Standards Officer is responsible for ensuring the Board and its members meet their obligations under ethical standards legislation and the Board's Code of Conduct. The Board has appointed a Standards Officer who maintains the Board members' Register of Interest and advises on Code of Conduct issues and concerns. His appointment was approved by the Scottish Ministers in 2016.

The council has to appoint a senior officer with social work qualifications and experience to the statutory role of Chief Social Work Officer. The post carries the significant responsibility for statutory delivery of social care services and the right to have direct access to the council and its elected members. The Chief Social Work Officer is a non-voting member of the Board and the Board's Standing orders ensure a similar right of access to the Board and Board members in relation to areas of professional concern. The health board has appointed an officer to a similar post in relation to health care. The holder of that post is also a non-voting member of the Board. The Board's Standing orders give the same right of access to the Board and Board members as the Chief Social Work Officer has.

The Director leads a joint/integrated management team made up of officers and employees of council and health board. The Board does not have the legal power to employ staff.

Audit Risk & Governance Committee

The Audit Risk & Governance Committee monitors the independence and effectiveness of the Internal Audit service provided by the council and its Audit, Risk and Counter Fraud Manager. To ensure the required degree of independence it is given assurance in relation to non-internal audit functions (risk management) through the internal audit manager of Falkirk Council. The committee approves an annual audit plan and receives reports about its completion. It considers reports brought forward in relation to the work, both programmed and reactive work.

The reports contain a conclusion as to the soundness of control based on the investigation carried out and whether controls are satisfactory or require improvements. They set out improvement actions which have been agreed with officers. The findings, actions and times for completion are presented for committee approval.

The committee also receives the external auditors' Annual Plan. Its remit has been amended this year to enable it to consider the external audit annual report and audited accounts prior to their consideration and approval by the Board itself.

The committee also receives reports in relation to governance matters, principally reports issued by the Accounts Commission and/or Audit Scotland in relation to the Board or the health and care sector as a whole. The committee also receives the annual report on corporate governance and the annual governance statement.

Formal arrangements have been made and approved for liaison and information sharing with the Internal Auditors for the health board, the council and the other IJBs in the health board area

The Internal Audit Annual Report for 2016/17 provides details of the risk based audits undertaken for the Board, and the conclusions arising from that work. Those reports had all been submitted to the committee in the course of the year. Areas of concern or where control was found to require improvement were identified and those have been incorporated into and referred to in this statement.

System of internal control

A significant part of the Board's governance framework is its system of internal control (financial and other). It is an ongoing process designed to identify risks to the achievement of the Board's objectives; to evaluate the likelihood of those risks occurring; to consider the potential impact of the risks; and to manage them effectively. Those controls can never eliminate risk or failure to achieve objectives entirely – they can only provide reasonable and not absolute assurance. The design, development and management of the system of internal control are undertaken by officers who support the Board and approved where required by the Board or its Audit, Risk & Governance Committee.

The system of internal financial control is designed to provide assurance on the effectiveness and efficiency of operations and the reliability of financial reporting. It is based on a framework, which includes financial regulations and a system of management supervision, delegation and accountability, supported by regular management information, administrative procedures and segregation of duties. Its key elements include a documented internal control framework relating to financial processes, procedures and regulations; a comprehensive budgeting and monitoring framework; scrutiny of periodic and annual financial and operational performance reports; performance management information; and project management disciplines.

Reporting to the Board on the effectiveness of the system of internal control is a statutory requirement carried out by the Board's Internal Auditor. It is included in his Internal Audit Annual Report in June each year. Its consideration precedes and informs this statutory annual governance statement which requires approval by the Board and incorporation into the annual accounts and financial statements.

Based on internal audit investigations and reports throughout the year he has identified areas where improvements are required and confirmed that recommendations would be followed up and reported. The Audit, Risk & Governance Committee is informed of agreed actions and deadlines for completion. It seeks assurances from responsible officers on progress through follow-up reports where so advised. Following the review for 2017/18 the Internal Auditor's conclusion is that the framework of governance, risk management and control requires improvement. That conclusion is based on the outcomes of his audits of performance management and workforce planning, as follows:-

- The audit of workforce planning was considered by the committee in January 2018. The Head of Health undertook to liaise with the Director and NHS Lothian Chief Officer and provide an update to the March meeting of the committee and agreed that the Internal Auditor would provide an update report at the December 2018 meeting of the committee. At its March meeting the committee noted the progress made on the development of the Plan and the most recent iterations of the parent organisations' workforce plans. It also noted that the publication of the third and final part of the relevant guidance from the Scottish Government was due for publication in early 2018. As decided by the committee, progress will be monitored through the report due to at its meeting in December 2018
- The committee considered the audit report on performance management in June 2017. It was advised that a review of performance management reporting arrangements was ongoing. That would involve developing clear targets and performance measures and the use of a balanced scorecard format due for adoption at the October Board meeting. That was not brought to the Board until its December meeting. The Board noted and accepted the outcome of the review and the targets and balanced scorecard proposed to be used. It was agreed that performance reports would be updated in accordance with availability of data and brought on quarterly basis to the Board for discussion.

Code of Corporate Governance

The Board's governance arrangements are assessed and reported in accordance with statutory requirements and under a Framework and accompanying Guidance for Scotland called "Delivering Good Governance in Local Government", produced by CIPFA/SOLACE in 2016. Its annual governance statement in 2016/17 was produced in accordance with the Framework. For 2017/18 a new Local Code of Corporate Governance has been developed and adopted under that Framework and Guidance as well.

The Code adopts the seven over-arching principles from the Framework which are:-

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Each of those principles is broken down into sub-principles and then separate elements to allow a more focused approach to the components of each. A list of sources of evidence is included and the Board's actions and performance over the year are assessed to determine where it exceeds, meets or fails to meet the required standards. Areas of concern are picked out and reported on through the annual reporting process. Actions are identified and allocated and progress monitored through reporting to Board and committee. The Code is used to inform the drafting and approval of the annual governance statement.

Matters of concern from 2016/17 – progress and completion

Issues of concern noted in governance reporting in 2016/17 are found in the external audit annual report, the internal audit annual report and the annual governance statement.

The external audit report made comments and recommendations in relation to five governance matters. Four of those have been completed during the year (journal/ledger processing; remuneration report disclosures; budget-monitoring; and medium-term performance indicators). One was only partially complete at the year end, in relation to financial planning and sustainability. At that time, a Five Year Plan for Board functions was in preparation. It will be presented to the Board on 26 June 2018 for approval and will be updated, reviewed and refreshed thereafter.

The Internal Audit annual report gave rise to four concerns (audit standards; performance management; service level agreements for council services; and reporting on an external assessment of internal audit services). They were all progressed and completed during the year. Some further actions are however required in relation to performance management as highlighted by this year's Internal Audit annual report.

The annual governance statement for last year highlighted six areas to be addressed (adopting a Local Code of Corporate Governance; ensuring compliance with the Integration Scheme; induction of new Board members; statutory annual performance report procedures; annual report by Clinical Director; and securing the Board's best value duty). Four of those were completed during the year. One was partially completed (ensuring compliance with the Integration Scheme). One was incomplete (best value duty). Those two areas should be programmed for action and completion in the coming year and completion monitored by the Audit Risk & Governance Committee.

Matters to be considered in 2018/19

Based on consideration of progress on concerns in 2016/17, the Internal Audit Annual Report and assessment against the Local Code of Corporate Governance these are the issues of concern that the Board is recommended to address in 2018/19.

- The Internal Audit Annual Report concluded that the IJB's framework of governance, risk management and control required improvement. This related to outstanding work on workforce planning and performance management to be completed
- A procedure and framework should be developed and approved through which the Board can demonstrate compliance with its statutory duty to secure best value
- The Board should ensure it has complied with the requirements of the General Data Protection Regulation and the Data Protection Act 2018
- The Board should consider how it engages with its partner organisations and how the Board members are made aware of relevant developments and joint working. That should cover the Board's role in the Community Planning Partnership, liaison with the council and the health board at officer and member level, and the relationship with the other Lothian IJBs
- The incomplete action arising from last year's statement should be completed
- Arrangements for succession planning should be considered to ensure continuity at Board and officer level, in particular in relation to the Board's professional advisers and non-voting members
- Building on the process carried out by the Audit Risk & governance Committee, the Board should assess its own effectiveness and areas for improvement and those for its committees and other bodies
- The Board should review and ensure its compliance with all of the various regulatory regimes to which it is subjected. Those cover a range of requirements from the public sector equality duty to climate change duties
- As part of its work on performance management arrangements the Board should explore and report on benchmarking with other IJBs
- Matters arising from the external audit report should be added as appropriate when the Board has approved its annual accounts for signature

In addition, the way the new Code of Corporate Governance was applied will be reviewed to reflect on lessons from its first year of use.

Conclusion and assurance

Based on the governance framework, arrangements and review already described, the Board and the West Lothian community can be assured that the Board's corporate governance standards have been substantially met in 2017/18. There are however areas for improvement which should be addressed by officers and referred to Audit Risk & Governance Committee for monitoring and control. Consideration should be given as to whether any of those matters require formal recognition or reassessment in the Board's Risk Register.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year according to accepted accounting practices.

The figures within the income and expenditure account above take account of all relevant accounting entries to reflect the year end income and expenditure recorded in the ledgers for NHS Lothian and West Lothian Council in respect of West Lothian IJB functions for 2017/18.

The figures have been prepared in line with appropriate accounting policies required to provide a true and fair view in accordance with annual accounts requirements.

2016/17				2017/18		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
176,526	0	176,526	Health Services	185,904	0	185,904
60,556	0	60,556	Social Care Services	64,430	0	64,430
28	0	28	Corporate Expenditure	27	0	27
237,110	0	237,110	Cost of Services	250,361	0	250,361
0	(237,110)	(237,110)	Taxation and Non-Specific Grant Income	0	(250,361)	(250,361)
237,110	(237,110)	0	Surplus or Deficit on Provision of Services	250,361	(250,361)	0
			Surplus / Deficit on Provision of Services			
			0	0		

BALANCE SHEET

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date.
The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2017 £000		Notes	31 March 2018 £000
0	Current Assets		0
0	Current Liabilities		0
<u>0</u>	Net Assets		<u>0</u>
<u>0</u>	Usable Reserve: General Fund		<u>0</u>
<u>0</u>	Total Reserves		<u>0</u>

The unaudited accounts were issued on 26 June 2018 and the audited accounts were authorised for issue on 24 September 2018.

Patrick Welsh
Chief Finance Officer
24 September 2018

NOTES TO THE ANNUAL ACCOUNTS

1. ACCOUNTING POLICIES

1.1 General Principles

The West Lothian Integration Joint Board is formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a joint venture between West Lothian Council and NHS Lothian.

Integration Joint Boards (IJBs) are specified as section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their Annual Accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom. The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2018 and its income and expenditure for the year then ended.

The Annual Accounts summarise the Integration Joint Boards transactions for the 2017/18 financial year and its position at the year end of 31 March 2018.

1.2 Accruals of expenditure and income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- All known specific and material sums payable to the IJB have been brought into account.
- Suppliers are recorded as expenditure when they are consumed. Expenses in relation to services received are recorded as expenditure when the service is received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3. Going Concern

The Accounts are prepared on a historical cost basis, which provides that the entity will continue in operational existence for the foreseeable future.

1.4 Accounting Convention

The accounts are prepared on a historical cost basis.

1.5 Funding

The Integration Joint Board receives contributions from its funding Partners namely West Lothian Council and NHS Lothian to fund its services. Expenditure is incurred in the form of charges for services provided to the IJB by these Partners.

1.6 Post Balance Sheet Events

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified.

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts is adjusted to reflect such events.

- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

1.7 Material Items of Income and Expense

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Income and Expenditure Statement or in the notes to the Accounts, depending on how significant the items are to an understanding of the IJB's financial performance.

1.8 Related Party Transactions

Related parties are organisations the IJB can control or influence or who can control or influence the IJB. As Partners in the Joint Venture of West Lothian IJB, both West Lothian Council and NHS Lothian are related parties and material transactions with those bodies are shown in line with the requirements of IAS 24 Related Party Disclosures.

1.9 Support Services

Support services were not delegated to the IJB and are provided by the Council and the Health Board free of charge as a 'service in kind'. This is consistent with VAT advice and means that support services to the IJB are outside the scope of VAT. This arrangement was set out in a report to the IJB on 16 February 2016. The list of support services provided to the IJB by West Lothian Council and NHS Lothian is summarised as follows:

- Human Resources
- Internal Audit and Risk Management
- Information Technology
- Buildings Accommodation
- Property / Facilities Management
- Learning and Development
- Health and Safety
- Committee Services
- Procurement Services
- Financial Services
- Corporate Communications
- Legal Services

1.10 VAT

The IJB is not VAT registered. The VAT treatment of expenditure in the IJB's accounts depends on which of the Partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to H.M. Revenue & Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as income from the Commissioning IJB.

2. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions

Provisions are made where an event has taken place that gives the IJB a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of obligation.

Provisions are charged as an expense to the appropriate service line in the Income and Expenditure Statement in the year that the IJB becomes aware of the obligation and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision held in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Contingent assets and liabilities

A contingent asset or liability arises where an event has taken place that gives the IJB a possible obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB. Contingent liabilities or assets also arise in circumstances where a provision would otherwise be made but, either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts where they are deemed material. A review of potential contingent assets and liabilities has been undertaken for the IJB and none have been identified at 31 March 2018.

3. PARTNER EXPENDITURE ANALYSIS

The following analysis sets out the expenditure incurred by the IJB's partners on areas delegated to them by the IJB. This information is provided to the Board throughout the year to enable them to monitor the spend on delegated functions. The total expenditure incurred by the Partners is met by the payments made by the IJB in respect of delegated functions.

Health Services	Unaudited Budget £000	Actual Expenditure £000	Variance £000
Core Services			
Community AHPS	3,551	3,526	25
Community Hospitals	2,178	2,403	(225)
District Nursing	2,997	2,808	189
GMS	25,540	25,539	1
Mental Health	13,177	13,545	(368)
Other	18,812	18,724	88
Prescribing	36,767	37,116	(349)
Resource Transfer	6,782	6,782	0
Total	109,804	110,443	(639)
Hosted Services			
AHP Services	2,227	2,177	50
GMS – Hosted	2,060	2,129	(69)
Learning Disabilities	3,157	3,375	(218)
Lothian Unsched. Care Serv.	2,124	2,124	0
Oral Health Services	3,396	3,278	118
Other	1,562	1,452	110
Psychology Service	1,579	1,547	32
Rehabilitation Medicine	843	775	68
Sexual Health	1,159	1,157	2
Substance Misuse	3,253	3,294	(41)
UNPAC	1,341	1,145	196
Total	22,701	22,453	248
Set Aside Services			
A & E (Outpatients)	4,082	4,527	(445)
Cardiology	4,124	4,105	19
Gastroenterology	1,211	1,489	(278)
General Medicine	6,788	6,994	(206)
Geriatric Medicine	4,812	4,742	70
Infectious Disease	2,634	2,508	126
Junior Medical	4,621	5,069	(448)
Other	2,357	2,517	(160)

Rehabilitation Medicine	751	803	(52)
Respiratory Medicine	1,947	1,972	(25)
Total	33,327	34,726	(1,399)

Non Cash Limited Services

Dental	9,831	9,831	0
Ophthalmology	3,409	3,409	0
Pharmacy	5,042	5,042	0
Total	18,282	18,282	0

Additional Contribution from NHS Lothian	1,790	0	1,790
Total Health Services	185,904	185,904	0

	Unaudited Budget £000	Actual Expenditure £000	Variance £000
Social Care Services			
Learning Disabilities	16,058	15,896	162
Physical Disabilities	6,397	6,419	(22)
Mental Health	3,162	3,299	(137)
Older People Assess & Care	29,460	29,167	293
Care Homes & HWC	10,001	10,295	(294)
Contracts & Commissioning			
Support	5,434	5,035	399
Other Social Care Services	(6,055)	(5,654)	(401)
Total Adult Social Care Services	64,457	64,457	0
 TOTAL ALL SERVICES	 250,361	 250,361	 0

4. RESERVES

The IJB holds no reserves at 31 March 2018. No reserves were held in prior years, consequently there is no requirement for a movement in reserves statement.

5. CORPORATE EXPENDITURE

	2017/18 £'000	2016/17 £'000
Audit Fee	24	25
CNORIS Fee	3	3
Total	27	28

Note – the corporate expenditure is shown within the Partner Expenditure Analysis and funding table.

6. RELATED PARTY TRANSACTIONS

In the 2017/18 financial year the following transactions were made with NHS Lothian and West Lothian Council relating to integrated health and social care functions.

Income – payments for integrated functions	2017/18 £'000	2016/17 £'000
NHS Lothian	(185,904)	(176,526)
West Lothian Council	(64,457)	(60,584)
Total	(250,361)	(237,110)

Expenditure – payments for delivery of integrated functions	2017/18 £'000	2016/17 £'000
NHS Lothian	185,904	176,526
West Lothian Council	64,457	60,584
Total	250,361	237,110

West Lothian Integration Joint Board Audit, Risk and Governance Committee

Date: 12 September 2018

Agenda Item: 8.

RISK MANAGEMENT ANNUAL REPORTS

REPORT BY DIRECTOR

A PURPOSE OF REPORT

To advise the Audit, Risk and Governance Committee of the risk management annual reports for West Lothian Council and NHS Lothian for 2017/18.

B RECOMMENDATION

It is recommended that the Audit, Risk and Governance Committee considers the risk management annual reports.

C TERMS OF REPORT

An internal audit of the IJB's risk management arrangements was reported to the Audit, Risk and Governance Committee on 28 March 2018. The auditor stated that: "Consideration should be given as to whether a formal assurance on the adequacy of the Council's and NHS Lothian's risk management arrangements is required".

The West Lothian Council risk management annual report for 2017/18 and the NHS Lothian annual report for 2017/18 are therefore appended to this report. The Audit, Risk and Governance Committee is invited to review the reports and satisfy itself that effective risk management arrangements are in place within the council and health sides.

Assurance on the IJB's risk management arrangements is already received via the IJB's risk management annual report which was submitted to the Audit, Risk and Governance Committee on 27 June 2018. This concluded that the IJB has effective risk management arrangements in place.

D CONSULTATION

Standards Officer.

E REFERENCES/BACKGROUND

Report to the Audit, Risk and Governance Committee 28 March 2018: Internal Audit of Risk Management

Report to the Audit, Risk and Governance Committee 27 June 2018: IJB Risk Management Annual Report

F APPENDICES

West Lothian Council Risk Management Annual Report 2017/18

NHS Lothian Annual Report 2017/18

G SUMMARY OF IMPLICATIONS

Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, an equality impact assessment has not been conducted.
National health and Well-Being Outcomes	Indirectly via the management of risk to the IJB's objectives.
Strategic Plan outcomes	Indirectly via the management of risk to the IJB's objectives.
Single Outcome Agreement	Indirectly via the management of risk to the IJB's objectives.
Impact on other Lothian IJBs	None.
Resource/finance	None.
Policy/Legal	The IJB's Policy is to effectively mitigate risks to the achievement of its objectives by implementing robust risk management strategies, policies and procedures, which enable managers to effectively identify, assess, and mitigate risk.
Risk	Directly relevant.

H CONTACT

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12 September 2018



AUDIT, RISK AND COUNTER FRAUD UNIT

RISK MANAGEMENT ANNUAL REPORT 2017/18

5 June 2018

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1.0 INTRODUCTION

- 1.1 This report sets out the activities of the corporate risk management function for the financial year ending 31 March 2018.
- 1.2 Heads of Service are responsible for ensuring that risks to their business objectives are effectively managed. The Audit, Risk and Counter Fraud Manager acts as the council's corporate risk manager and is responsible for ensuring that arrangements are in place within the council to enable managers to effectively discharge these responsibilities.
- 1.3 This is done by:
- preparing and maintaining corporate procedures on risk management and business continuity planning;
 - maintaining the council's corporate risk register;
 - providing advice and information to services on risk management and business continuity planning matters;
 - monitoring services' risk management performance.
- 1.4 The council's corporate register is held on Pentana, the council's performance management system, and contains approximately 220 risks.
- 1.5 Performance information relevant to risk management is set out in appendix A to this report.

2.0 RISK MANAGEMENT

Governance and Risk Committee

- 2.1. The Governance and Risk Committee's remit is to maintain a corporate overview of the council's risk management arrangements. The council's high risks are reported to every meeting of the Committee.
- 2.2. During 2017/18 Finance and Property Services and Social Policy gave presentations to the Committee on risk management within their services.
- 2.3. At its meeting in October 2017 a presentation was received from the Head of I.T. Services on cyber security.

Executive Management Team

- 2.4. The Executive Management Team (EMT) is the council's most senior management body and comprises the Chief Executive, three Depute Chief Executives, and the Head of Finance and Property Services. The EMT considers reports on the council's high risks every two months. The EMT also receives reports on outstanding audit and inspection recommendations, and considers progress in completing them.

Governance and Risk Board

- 2.5. The Governance and Risk Board is an officer group chaired by the Depute Chief Executive Corporate, Operational and Housing and which meets quarterly to review risk management, business continuity, and governance matters. The Audit, Risk and Counter Fraud Manager and Senior Auditor attend all meetings.
- 2.6. Risk related matters considered by the Board during the year included:

- the council's high risks;
- business continuity planning arrangements;
- Gallagher Bassett risk consultant reports (see paragraph 2.9);
- outstanding audit and inspection recommendations;
- statutory compliance (legionella, asbestos, fire safety) performance indicators;
- insurance claims statistics;
- health and safety risks;
- I.T. risks.

Risk Management Working Group

- 2.7. The Risk Management Working Group is an officer group comprised of representatives from all services ("risk champions") which meets quarterly. The council's HR Manager (Health and Safety) attends the meetings and is the risk champion for Corporate Services. The group is chaired by the Audit, Risk and Counter Fraud Manager and its purpose is to disseminate advice and information on risk management and business continuity matters, encourage the effective management of risk within services, and to promote effective business continuity arrangements.

Risk Reviews

- 2.8. The council's risk consultant, Gallagher Bassett, provides free risk consultancy and training as part of the insurance contract.
- 2.9. During 2017/18, Gallagher Bassett undertook a review of personal safety in Education. This was reported to the Governance and Risk Committee on 9 April 2018. Gallagher Bassett also undertook a review of refuse collection risk management and this is being reported to the Committee in June 2018.

Risk Management Training

- 2.10. During 2017/18 Gallagher Bassett provided training to staff from Construction Services, Building Services and Operational Services on management and control of contractors. Contractors often perform activities and functions which involve a significant potential for harm unless the risks associated with their work are managed effectively. The training covered the management of contractors to ensure that the right precautions are taken to effectively control the risks associated with the contracted work.
- 2.11. On 23 October 2017 Gallagher Bassett provided a one day training course on enterprise risk management to representatives from all service areas. The training covered the definition of risk, risk management processes, and risk assessment techniques.
- 2.12. On 14 November 2017 the council's Audit Risk and Counter Fraud Manager provided a two hour workshop to the Corporate Management Team on risk management. This was a condensed version of the Gallagher Bassett training course and covered the principles of describing and assessing risks, including worked examples.

Review of Service Risks

- 2.13. Following the Gallagher Bassett risk management training in October 2017, the Audit Risk and Counter Fraud Manager undertook to work with all services to review and improve the quality of their risks in the corporate risk register. For example, in relation descriptions, risk scores and key controls. This work is ongoing.

3.0 BUSINESS CONTINUITY PLANNING

Corporate Business Continuity Plan

- 3.1 The council's corporate business continuity plan is reviewed annually. The revised plan was submitted to the Governance and Risk Committee on 9 April 2018 for information. The plan is held on Pentana, which is externally hosted, and the plan would be therefore available in the event of a failure of the council's I.T. network.

WLC1 Desktop Testing

- 3.2. The council maintains three categories of business continuity plan – WLC1, WLC2 and WC3, which are defined as follows:
- WLC1: an activity which if not maintained would cause loss of life or limb to customers or members of the public.
 - WLC2: an activity which if not maintained would cause significant harm or hardship to the council's customers. Examples would be payments to carers, clothing grants, education maintenance allowances, housing benefit processing and payment, etc.
 - WLC3: an activity which if not maintained for a period of thirty days would have a significant impact on the council's objectives.
- 3.3. In 2016 the Governance and Risk Board authorised a three year programme of desk top testing of all WLC1 business continuity plans. There are 24 WLC1 activities. Testing started during 2016/17 and as at 31 March 2018, 13 WLC1 activities had been tested.
- 3.4. The output from each test is a report containing recommendations for improvement in the service's business continuity planning arrangements.

WLC1 Staff Relocation

- 3.5. The council maintains a staff relocation spreadsheet for all WLC1 activities. This records the relocation arrangements for WLC1 staff in the event of either severe weather or loss of their building. During the year the spreadsheet was revised and updated to account for changes in staffing and locations. There are approximately 900 members of staff on the spreadsheet.
- 3.6. The spreadsheet is also resident on Pentana and would be available in the event of the loss of the council network.

WLC2 Business Continuity Plans

- 3.7. During 2016/17 advice was provided to services on their WLC2 business continuity plans. Some follow up work on service WLC2 business continuity plans was undertaken during 2017/18 and this will continue during 2018/19.






4.0. CONCLUSION

- 4.1. The Audit, Risk and Counter Fraud Unit works with services to ensure that effective risk management arrangements are in place which enable services to properly identify, assess and manage key risks to their objectives.
- 4.2. The Unit engages with services via the Governance and Risk Board and the Risk Management Working Group. Attendance at the Governance and Risk Board and EMT also enables a more strategic view to be taken of the risks facing the council.
- 4.3. Risk management and business continuity planning arrangements are under constant review and further progress will continue to be made on risk management and business continuity matters during 2018/19.

Kenneth Ribbons
Audit, Risk and Counter Fraud Manager

APPENDIX A

Risk Management - Performance Information

Status	Reference	Performance Indicator	Comment	Current Target	Latest Data Entry	2017/18 Value	2016/17 Value
	IA020	Percentage of customers who rated the overall quality of risk management advice as good or excellent.	Based on 2017/18 annual survey.	100%	2017/18	100%	100%
	IA021	Percentage of risks subject to annual documented risk assessment in Covalent.	Based on the position at 31 March 2018.	100%	2017/18	95%	100%
	IA022	Percentage of risk actions outstanding after their original due date (see note 1)	Progress is measured in relation to all risk actions due for completion in the previous four years, i.e. from 1/4/14.	0%	2017/18	8.4%	9.3%
	IA023	Cost of risk management per £1 million of West Lothian Council's net expenditure.	This indicator is prepared in arrears in August each year as part of the CIPFA Directors' of Finance Performance Information. The 2017/18 figure was not therefore available at the time of writing.	£120	2016/17	n/a – see comment	£130
	IA024	Percentage of customers who rated the overall quality of business continuity advice as good or excellent.	Based on 2017/18 annual survey.	100%	2017/18	100%	100%

Note 1: IA022: These actions relate to audit and inspection recommendations and performance is monitored by the Governance and Risk Board and Audit Committee.

NHS Lothian

Audit & Risk Committee
18 June 2018

Medical Director

RISK MANAGEMENT ANNUAL REPORT 2017-18

1 Purpose of the Report

- 1.1 The purpose of this report is to set out the Risk Management Annual Report for 1st April 2017 to 31st March 2018, to provide assurance on the management of risk across NHS Lothian.

2 Recommendations

The Audit & Risk Committee is recommended to:-

- 2.1 Accept as moderate assurance with respect to systems in place to manage risk across NHS Lothian, as they are subject to the emergent risk systems across Health & Social Care Partnerships (H&SCP) and Integration Joint Boards (IJB), and as such controls are developmental in nature.
- 2.2 To note that moderate assurance was accepted by Healthcare Governance Committee (HCG) in May 2018 concerning the systems in place for the management and learning from adverse events across NHS Lothian, including Duty of Candour.
- 2.3 Accept this paper as the Risk Management Annual Report to inform the NHS Lothian Governance Statement.

3 Discussion of Key Issues

- 3.1 The Risk Management focus of 2017-18 has been to further embed NHS Lothian's two policies and procedures – Adverse Event Policy and Procedure (March 2014) and Risk Management Policy and Procedure (June 2012), both of which seek to contribute to NHS Lothian's safety culture and inform improvement programmes. Based on learning and feedback from the service and national guidance, both policies have been reviewed and being progressed through the policy approval processes.
- 3.2 Adverse Events Management

The priorities for adverse event management in 2017-18 were to:-

- Sustained process improvement for management of significant adverse events

- Maximise mechanisms for learning and feedback to services from individual and themes from reviews including litigation
- Preparing for the Duty of Candour legislation by mapping and modelling into current adverse event reviews process against the requirements of this legislation due to be introduced in April 2018.

3.2.1 The key issue for the management of Significant Adverse Events is that of timeliness to complete the reviews. When considering the data there has been a reduction in variation in time to review within 66 days, with the exception of Mental Health and Substance Misuse deaths, which account for 55% of the overall backlog.

3.2.1.1 With respect to Mental Health and Substance Misuse deaths, the most significant factor continues to be complexity and volume, together with a number of additional challenges including:

- Time to involve families
- Availability of post mortem and toxicology reports
- Capacity, particularly amongst medical staff.

3.2.1.2 An improvement plan is currently being developed with the Executive Nurse Director and the REAS Senior Management Team. Specific actions agreed to date are:

- Progression of a post to support SAE review and complaints
- Identification of staff who have been trained in SAE review and still in service who could support the process and improvement in performance (QIST staff have provided tailored training to 119 staff working in mental health and substance misuse services over the last 3 years)
- Review of the current process, particularly focussing on triage and scoping of cases to determine level of review required, including level of medical reviewer involvement
- Testing of revised process using robust quality improvement methodology to ensure sustainable and reliable implementation.

3.2.2 The leadership group set out in 3.2.5.4 in addition to the above aims to improve processes by increasing visibility and leadership around the management of significant adverse events.

3.2.3 Management of SAEs

Adverse Event management is regularly reviewed through Healthcare Governance with moderate assurance received in May 2018 including lessons learned and how thematic learning has been used to inform improvement programmes.

3.2.4 Maximise Learning

Adverse events are used to inform NHS Lothian's current and future improvement programmes, for example:-

- Falls reduction programme through SPSP has seen a sustained 34% reduction of falls with harm since 2010 baseline and work continues to further improve this and is reported monthly through the Quality & Performance Report
- Pressure Ulcer reduction programme has demonstrated a 22% reduction in adult acute hospitals and will continue to further improve using learning from adverse events, case note reviews, fishbone diagrams, staff experience and observation
- The Safe Medicines workstream has been informed by adverse events, clinical audits and OPAH recommendations. This work focuses on the delivery of reliable documentation at transition (Medicines Reconciliation), admission and discharge
- There has been an agreement to recruit on a fixed-term basis an Improvement Adviser to examine and design improvement programmes to reduce Violence & Aggression in areas of greatest incidence. This work will be informed by Best Practice adverse events and observation
- Of the unexplained deaths, 70% are mental health and substance misuse and the focus initially is to improve the adverse event process.

3.2.5 Preparing for Duty of Candour

- 3.2.5.1 A statutory, organisational Duty of Candour (DoC) was introduced from 1 April 2018. Final regulations and national guidance were published on 28 March 2018. NHS Lothian has actively participated in the development of the guidance and sharing of materials with other Boards through membership of a short-life working group led by Healthcare Improvement Scotland. Given these timescales, it is accepted nationally that processes for implementation will need to be tested and further developed during the first year as learning is identified and shared.
- 3.2.5.2 As previously highlighted, implementation of the statutory organisational Duty of Candour sits within NHS Lothian's overall ambition to be open and transparent with patients and families whenever an adverse (unexpected) event occurs.
- 3.2.5.3 A draft procedure for Duty of Candour is in place as part of the refreshed adverse events policy and procedure, which is currently on the NHS Lothian consultation zone. This will be kept under continuous review as we learn from implementation during the first year.
- 3.2.5.4 The NHS Lothian Medical Director has convened a multi-disciplinary panel of senior leaders, with representation from acute services and HSCPs to provide further focus and leadership to our efforts to improve the way we manage adverse events, particularly SAE. The panel will oversee a programme of improvement work and will act as a reference group for implementation of the organisational Duty of Candour and quality assurance of complex SAE reviews, with a key focus on learning. The first meeting was held in May 2018.
- 3.2.5.5 A range of activities have been undertaken in preparation for implementation of DoC including:
- Establishment of intranet page with a wide range of information, guidance and toolkits [Duty of Candour](#)

- Communicating with staff through Team Brief and banners on Intranet, signposting newsletter and Intranet pages
- Targeted communication with acute and HSCP senior management teams, including presentations at a variety of meetings
- Promotion of NHS Education for Scotland (NES) online training module
- Mapping of existing processes for management of adverse events against DoC requirements (see Appendix 1)
- Development of tools to aid decision making at different stages of the pathway of managing an adverse event (Appendix 2)
- Development of a process map for implementation of DoC building on the learning from 'Being Open' work in maternity and neonatal services (see Appendix 3)
- Addition of DATIX fields to enable recording of key stages of communication with patients and families for any adverse event and to identify events where DoC process may need to be followed

3.2.6 Re-alignment of DATIX infrastructure in Edinburgh HSCP

The infrastructure of DATIX has now been amended following the re-organisation of locality services and management structures in EHSCP. In line with criteria agreed by the Medical and Nurse Director, open adverse events where there was no harm or minor harm, were closed without further review to allow this change. A 10% sample of all closures was reviewed by QIST staff for quality assurance.

3.3 Risk Management

3.3.1 The priorities for 2017-18 were to:-

- Continue to embed and improve engagement with risk management processes, with a particular focus on demonstrating how risk management informs priorities and decision-making at both corporate and operational levels
- Review the corporate and operational risk registers to improve clarity of expression of risks, controls and actions to maximise effectiveness of the process
- Further develop and test processes for management of risk in partnership with the H&SCPs to ensure optimum management of risk across the whole system including the Integration Joint Boards
- Develop a framework for the management of health and safety risks to support improvement and learning, to be reported through health and safety structures and at a service level
- The below sets of activities that have taken place to realise the 2017-18 risk management priorities
- The Corporate, Acute IJB and HSCP risk registers have been reviewed.

Table 1 below sets out the review and development processes of risks at a Corporate, Acute, IJB and HSCP level to strengthen risk management and decision-making across Health & Social Care.

Table 1 – Risk Register Review and Development

Corporate	All the risks on the Corporate Risk Register have been reviewed and approved by the Board. In addition, the Audit & Risk Committee are leading on strengthening corporate risk management as set out in para 3.3.
Acute Services	The risk management process for acute was agreed in December 2014 by the Senior Management Team. This includes bi-annual review of the site/service risk registers by the Clinical Management Group (CMG) as part of a rolling programme and quarterly review of the Acute services risk register at CMG. The Acute SMT is due to report the risk registers to the Acute Hospitals Committee which is under review.
Integration Joint Boards and Health & Social Care Partnerships	
Midlothian	<ul style="list-style-type: none"> • IJB risk register was reviewed and considered strategic risks, and was approved at the May 2018 HCG. This is held on the council system. • The process for reviewing and updating the HSCP risk register has been examined and will be reviewed through the Joint Quality & Governance Group and then to the Joint Management Group. This is held on DATIX and updates will be recorded by end of June 2018.
East Lothian	<ul style="list-style-type: none"> • The IJB risk register is reviewed at each Audit & Risk Committee meeting and held on DATIX. The HSCP risk register is reviewed by the Senior Management Team every 6 months and is also held on DATIX.
Edinburgh	<ul style="list-style-type: none"> • The IJB risk register was approved by the IJB in March 2018 and will be recorded on DATIX by the end of May. It is examined on a quarterly basis by the IJB and the Audit & Risk Committee. • The HSCP risks have been agreed and are captured on DATIX with grading, controls and actions currently being finalised with owners and handlers. Going forward, this will also be reviewed on a quarterly basis by the HSCP Senior Management Team.
West Lothian	<ul style="list-style-type: none"> • The IJB risk register is reviewed twice yearly by the IJB, quarterly by the IJB Audit Risk and Governance Committee and from 2018-19 the Committee will also review all HSCP high risks at every meeting. This is held on the council system. • The HSCP Risk Register is reviewed by the SMT quarterly.

3.3.2 Framework for management of H&S risks and learning

Some initial work has been undertaken to develop and test a framework with facilities management, as this group has the highest numbers of adverse events with serious harm to staff. The work has been underpinned by a robust structure and process for reviewing and discussion of learning and actions from all SAEs, through the facilities SAE group which meets on a monthly basis. Data has been analysed by site/ service and by category of event and considered by facilities managers and health and safety colleagues to determine where improvement effort should be focussed. This has also included reviewing staff claims and the rationale for outcomes to inform where systems improvements are required. A workshop was held in December 2017 to provide refresher training in SAE review and to

consider potential areas for further work, making use of quality improvement methodology. This work will continue to be developed in the coming year.

- 3.3.3 The Audit & Risk Committee has raised a challenge to explore the mechanisms by which the Board's Corporate Objectives inform NHS Lothian's Risk Profile and support the achievement of the Board's Corporate Objectives.

In response, a workshop was convened for 30th November 2017 with the members of the Audit & Risk Committee and the Chairs of the other governance committees. The session reflected on the 2017-18 Corporate Objectives and identified key risks to delivery of those objectives and the impact of these risks. The outcome of the workshop is summarised below.

The workshop highlighted that using the Corporate Objectives as the vehicle for generating risks has shown that there are a number of potential strategic risks that are not captured on NHS Lothian's Corporate Risk Register:-

- Realising New Models of Health & Social Care
- Ability to Improve and Innovate
- Establishing Positive Working Relationships
- Active Public and Patient Engagement.

Some current risks would also appear to be barometers/measures of strategic risks rather than a risk in themselves. For example, the current 4-hour Standard and Delayed Discharge risks are system measures related to our ability to identify and implement new models of care. There is an opportunity to further develop and refine the above areas in the Board's May 2018 workshop.

4 Key Risks

- 4.1 Failure to fully implement NHS Lothian's risk management policies and procedures could have an adverse effect on our current exposure to risk. The main threat is from not fully engaging with staff. This is being addressed by continued engagement with staff in the design and implementation of the proposed actions.

5 Risk Register

- 5.1 The Board risk register assurance mechanisms have been enhanced with the instigation of the RMSG, which reports to the Corporate Management Team.

6 Impact on Health Inequalities

- 6.1 The findings of the Equality Diversity Impact Assessment are that although the production of this Annual Report does not have any direct impact on health inequalities, the assurance given on the component areas of risk within this document provides evidence that the elements of the processes are established to deliver NHS Lothian's corporate objectives in this area. The current Risk Management Policy and Procedure have been fully impact assessed and amended in the response to the assessment.

7 Resource Implications

- 7.1 The resource implications are directly related to the actions required against each risk.

Jo Bennett

Associate Director for Quality Improvement & Safety

11 June 2017

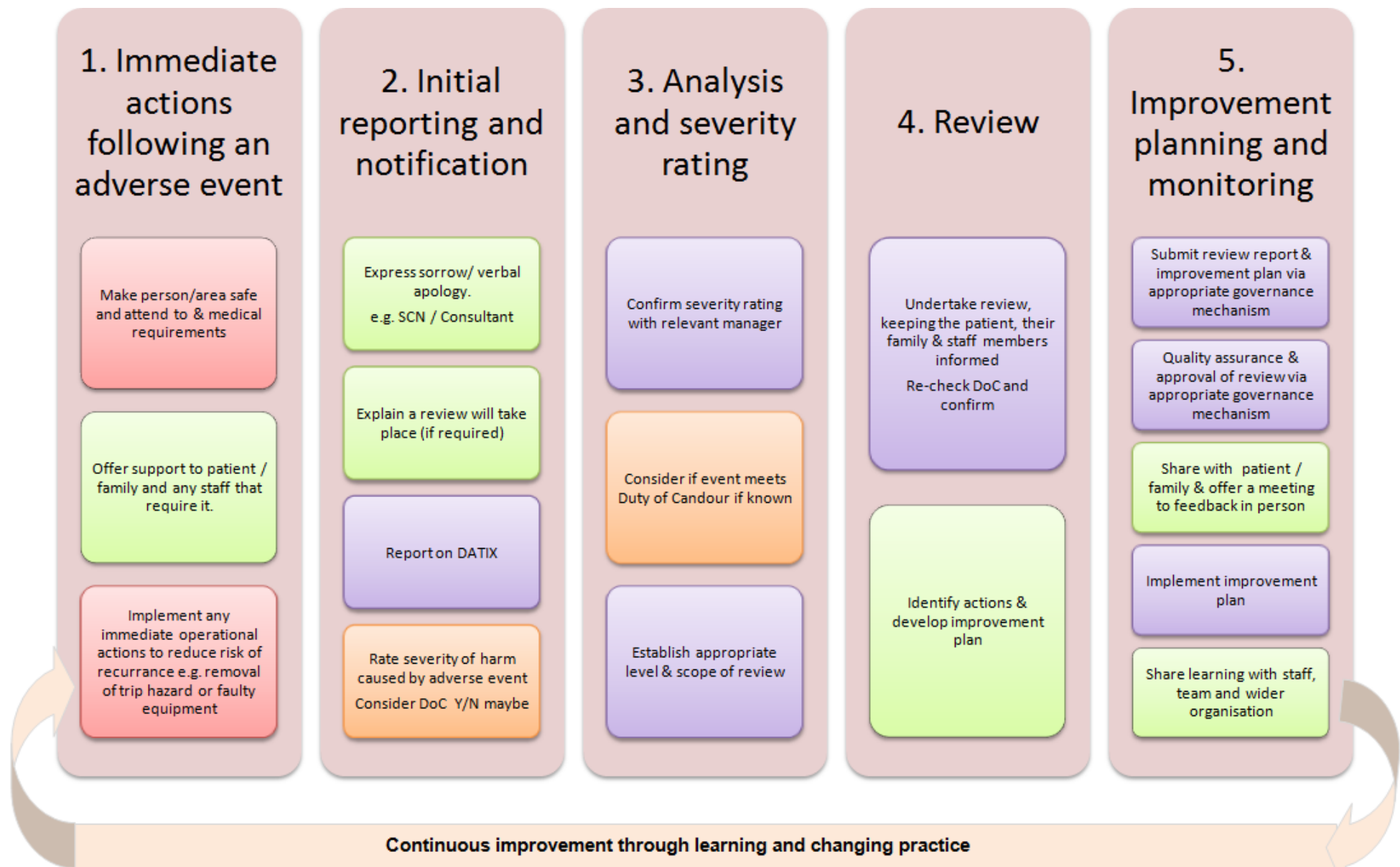
jo.bennett@nhslothian.scot.nhs.uk

List of Appendices

Appendix 1: Process map for management of adverse events against DoC requirements

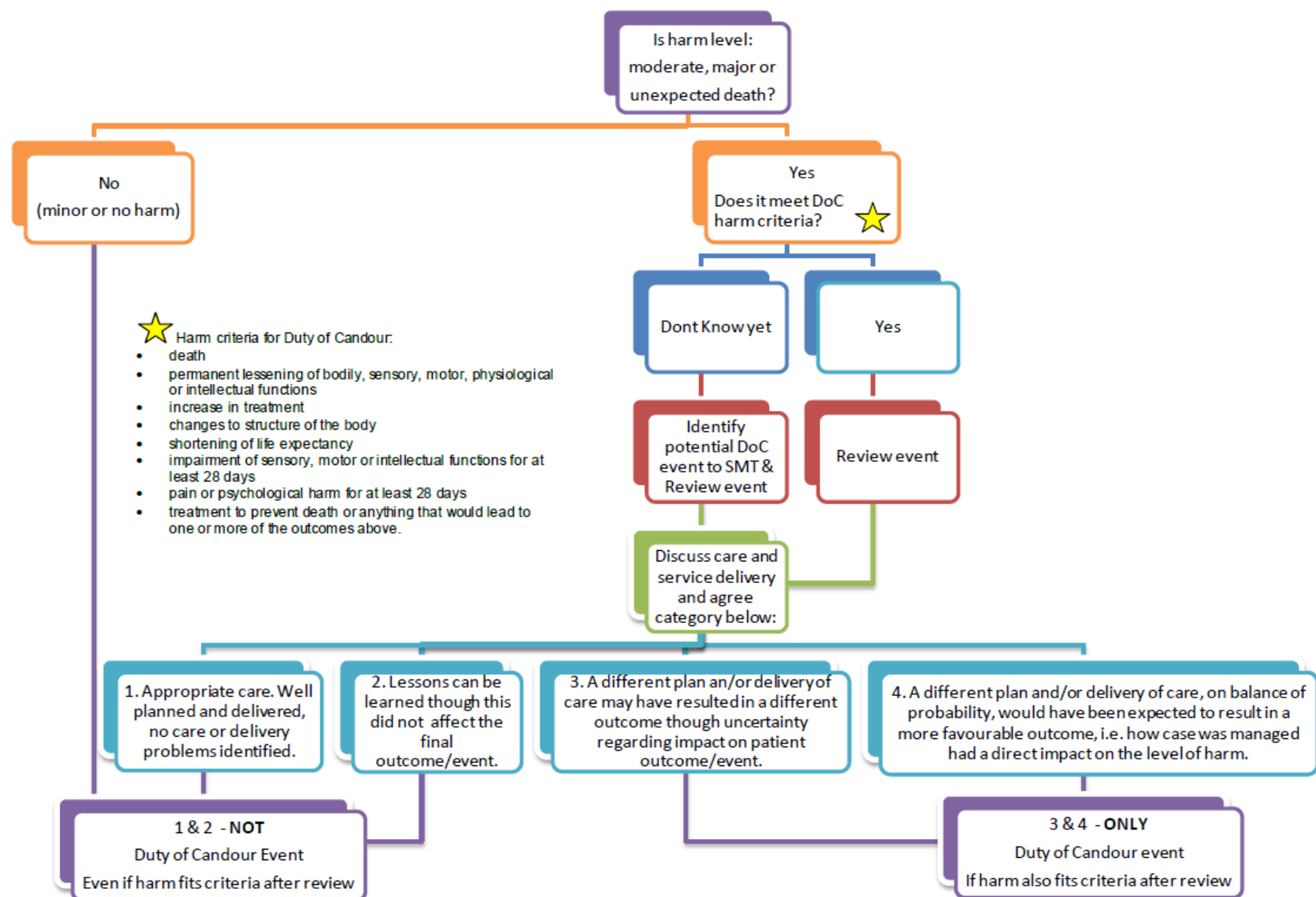
Appendix 2: Decision making tool to identify events where DoC process should be followed

Appendix 3: Process map for implementation of DoC



Decision tree for events that may require Duty of Candour procedure:

Harm criteria + score 3 or 4 for care or service delivery issues



Duty of Candour Process			
<p>Start DoC procedure as soon as agreed that DoC is relevant, as all steps follow this date.</p> <p>NOTE: It may not be date of adverse event as some level of review may be required to determine whether DoC relevant or not</p>			
Timescale	Steps	Communication	Documentation
▼ Within 1 month of the event	Notify the patient / family that the Duty of Candour process is being followed as soon as is practicable (usually within 10 working days of decision being made)	<ul style="list-style-type: none"> Verbal apology given to the patient/family by the relevant senior person Explain event has triggered inclusion in the DoC process what that means and that there will be a review Arrange a personal meeting to be held within one month of the adverse event Offer patient/family to submit questions ahead of the meeting date If notification takes place more than 1 month after the event took place, and explanation must be given. 	<ul style="list-style-type: none"> Record DoC commenced on DATIX
▼	Personal Meeting	<ul style="list-style-type: none"> Explain known facts Offer apology if not given already Explain DoC procedure, review and any further steps to be taken i.e. procedures such as SAE review or legalities involved Invite the views and any questions from patient; answer if possible – if not, include in review Provide name of key contact Identify any support required at this time and signpost/arrange 	<ul style="list-style-type: none"> Provide Being Open information leaflet Provide a written account of this meeting for the patient/family
▼ Review must be complete within 3 months of the DoC process being commenced	Review	<ul style="list-style-type: none"> Review the circumstances that led or contributed to the adverse event Provide the patient / family with a description of the review process Include the views and answer any questions from the patient/family Include the Improvement Plan and list of actions Offer to share the final report with the patient/family All other documentation relating to the review must be saved. The review must be completed within 3 months of DoC commencement date. If it is not, explanation must be give to the family. Ensure that a written apology has been offered and provided if required. <p>Staff support should be signposted or provided when identified including:</p> <ul style="list-style-type: none"> Stress following involvement in the adverse event Any training needs 	<ul style="list-style-type: none"> Record the review on SAE template or other documentation for other types of review Attach review to DATIX Attach any documentation used during the review to the event in DATIX

West Lothian Integration Joint Board Audit Risk and Governance Committee

Date: 12 September 2018

Agenda Item: 9.

RISK MANAGEMENT

REPORT BY DIRECTOR

A PURPOSE OF REPORT

To advise the Committee of the IJB's risk register.

B RECOMMENDATION

It is recommended that the Committee considers the risks identified, the control measures in place, and the risk actions in progress to mitigate their impact.

C TERMS OF REPORT

In accordance with the Risk Management Strategy approved by the IJB on 26 June 2018, the Audit, Risk and Governance Committee is required to review the risk register at least twice per annum. This report fulfils that obligation.

Appendix one lists each IJB risk. Each risk has risk scores which are arrived at by multiplying the estimated likelihood of the risk by its estimated impact. Risks are assessed on the basis of a five by five grid, and therefore the highest possible score is 25 and the lowest one.

There are eleven IJB risks. The two highest risks are IJB010 "Sustainability of Primary Care" which scores 16 and IJB011 "Delayed Discharge" which also scores 16.

In relation to the risk report in appendix one:

- The traffic light icon represents the risk ranking based on the score; these are explained further in the table at the start of appendix 1;
- There is a code, title and description for each risk;
- The original risk score represents the uncontrolled risk, that is to say the risk without controls in place, and provides an appreciation of the potential impact if controls are absent or fail;
- The current risk score represents the current risk, i.e. assuming that current controls are in place and effective;

- The target risk score represents the risk score being worked towards;
- The internal controls are those processes in place which reduce the risk from original risk score to current risk score;
- The risk actions are those measures in progress which are intended to further reduce the current risk.

Appendix two summarises progress in relation to the risk actions. The standard risk assessment methodology is attached as appendix three.

The appended reports only include risk actions which are in progress. It is expected that, where relevant, completed risk actions are added as internal controls for the related risk.

D CONSULTATION

IJB Senior Management Team.

E REFERENCES/BACKGROUND

Report to West Lothian Integration Joint Board 28 June 2018: Risk Management Policy and Strategy.

F APPENDICES

1. Integration Joint Board Risks
2. Integration Joint Board Risk Actions
3. Risk Management Methodology

G SUMMARY OF IMPLICATIONS

Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, an equality impact assessment has not been conducted.
National health and Well-Being Outcomes	Effective risk management is a pre-requisite for effective performance.
Strategic Plan outcomes	Effective risk management is a pre-requisite for effective performance.
Single Outcome Agreement	Effective risk management is a pre-requisite for effective performance.
Impact on other Lothian IJBs	None.
Resource/Finance	None.

Policy/Legal

None.

Risk

This report sets out progress in relation to management of the IJB's risks.

H CONTACT

Kenneth Ribbons, tel. 01506 281573 Kenneth.ribbons@westlothian.gov.uk

12 September 2018

Appendix 1 IJB Risks





Data Label : OFFICIAL

Report Author: Kenneth Ribbons





Generated on: 05 September 2018 11:05


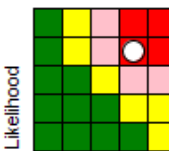
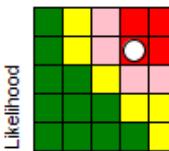
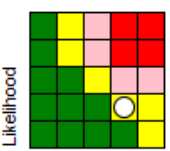

Report Layout: .R09g_Internal Controls, Original Score, Current Score, Target Score with linked actions and outcome


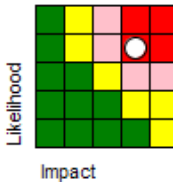
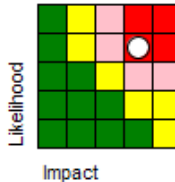
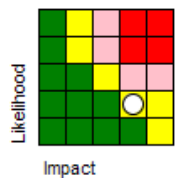



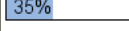

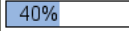
Key to Risk Scores


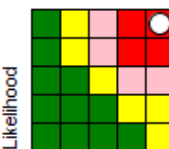
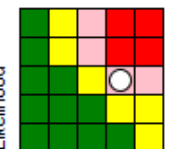
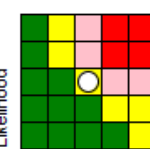

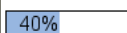

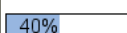
Icon	Score	Meaning
	16-25	High
	12-15	Medium High
	5-10	Medium
	1-6	Low


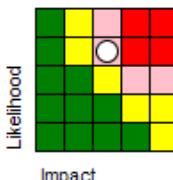
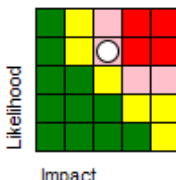
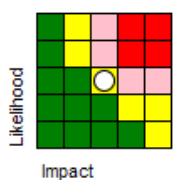


Key to Action Status

Icon	Status
	Overdue
	Approaching Due Date
	In Progress
	Complete


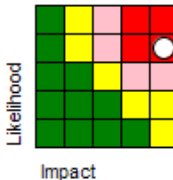
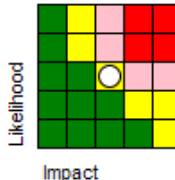
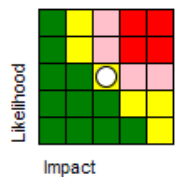

	IJB010 Sustainability of Primary Care					There is a risk that GP service provision will be disrupted, restricted or unavailable because of increasing capacity and demand issues as a result of population growth and/or GP practices experiencing difficulties in recruitment, retention or absence of medical staffing leading to significant capacity issues and inadequate and insufficient service provision.						
Current Controls:						Risk register at HSCP level of all practices identifying vulnerability rating Programme of support measures developed and available to be tailored to each practices individual circumstances to increase their resilience and maintain service provision Additional investment to support practices through LEGUP, primary care investment fund Buddy practice arrangements in place across all practices; Cluster working arrangements established Primary Care Implementation and Improvement Plan prepared and submitted to the IJB on 26/6/18.						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
16		16		8			IJB18011_Ar Monitor implementation of Primary Care Improvement Plan over 3 year period 2018-2021	Carol Bebbington	30-Sep-2021	30-Sep-2021	<div><div></div>10%</div>	Full implementation of plan


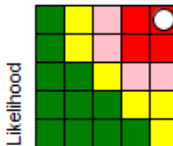
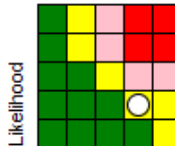
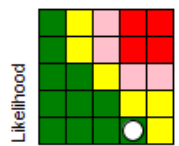
 IJB011 Delayed Discharge		There is a risk that patients are not being discharged in a timely manner resulting in suboptimal patient flow, impacting on poor patient and staff experience and poorer outcomes of care.										
Current Controls:						Community health and social care teams working with discharge hub to facilitate timely discharge. Frail Elderly Programme to take forward key actions designed to improve performance Care at Home Contract National Care Home Contract						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
16		16		8			IJB18004_Ar Implement eligibility criteria for social care	Pamela Main	30-Sep-2018	30-Sep-2018		Changes to eligibility criteria for provision of direct social care support
							IJB18002_Ar Discharge to Assess	Carol Bebbington	31-Oct-2018	31-Oct-2018		Timely discharge of patients when their acute episode of care is complete.
							IJB18003_Ar Single Point of Access	Carol Bebbington; Pamela Main	31-Oct-2018	31-Oct-2018		Single point of access for acute care to ensure patients are directed to the right resource to meet their needs and unnecessary admissions are avoided.


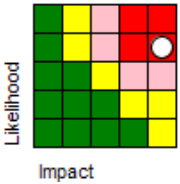
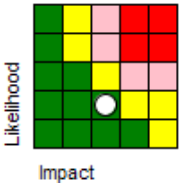
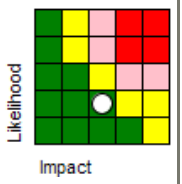

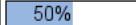
	IJB005 Inadequate Funding					Funding is inadequate, or is not effectively prioritised, leading to failure to achieve strategic objectives.						
Current Controls:						Chief Finance Officer (S95 officer) Due diligence by S95 officer Approval of resource allocations by IJB Monitoring / reporting of progress / outturn to IJB Financial reports to IJB include key risks and uncertainties Scrutiny by Audit, Risk and Governance Committee Internal audit and external audit oversight. Financial Regulations WL Integration Scheme – agreed financial and budgetary responsibilities including for overspends against delegated IJB functions Indicative five year financial plan approved by the IJB on 26/6/18						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
25		12		9			IJB18005_Ar Budget Monitoring and Reporting on Budget Risks and Savings	Patrick Welsh	31-Mar-2019	31-Mar-2019		Further information of financial performance against funding available to the IJB, including monitoring of risk areas and savings
							IJB18006_Ar Development of Medium Term Financial Plan	Patrick Welsh	31-Mar-2019	31-Mar-2019		Further development of a medium term financial plan for the period to 2022/23 for inclusion in the IJBs updated Strategic Plan.


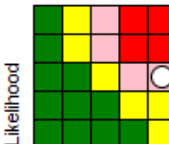
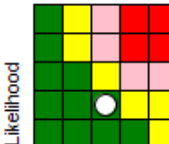
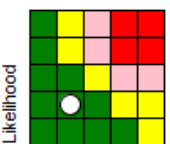
	IJB008 Workforce Planning					Lack of effective workforce planning leading to a failure to develop a sustainable workforce which has an adverse impact on performance and the ability of the IJB to achieve its strategic objectives.						
Current Controls:						NHS and WLC workforce plans NHS and WLC recruitment policies Monitoring via review of performance in relation to staff absence, recruitment / turnover Training and development Performance review						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
12		12		9			IJB16001_Ar Workforce Plan	Marion Barton	31-Jul-2016	31-Dec-2018	<div><div></div>60%</div>	Finalise and deploy workforce plan. The finalisation of the IJB Workforce Plan has a dependency on the final part of the national workforce plan which has yet to be published, and also the Health and Care (Staffing) (Scotland) Bill 2018.
							IJB17008_Ari Workforce Plan - action timescales and responsibility	Marion Barton	31-Oct-2018	31-Dec-2018	<div><div></div>0%</div>	The IJB Workforce Plan will include an 'action plan' with detailed SMART based activities. The finalisation of the IJB Workforce Plan has a dependency on the final part of the national workforce


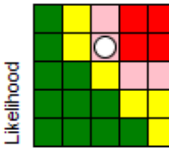
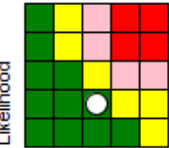
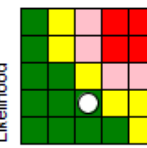
									plan which has yet to be published, and also the Health and Care (Staffing) (Scotland) Bill 2018.
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 IJB009 Demographic Changes		Current service models unable to meet future service demands, due to the rapid increase in the ageing population and corresponding increase demand for health and social care services.										
Current Controls:						Strategic Plan Older People Commissioning Plan Frailty Programme Management of customer expectation via participation and engagement plan						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
20		9		9			IJB16001_Ar Workforce Plan	Marion Barton	31-Jul-2016	31-Dec-2018	<div><div>60%</div></div>	Finalise and deploy workforce plan. The finalisation of the IJB Workforce Plan has a dependency on the final part of the national workforce plan which has yet to be published, and also the Health and Care (Staffing) (Scotland) Bill 2018.


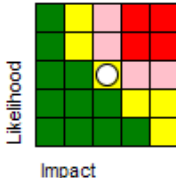
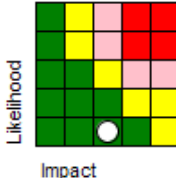
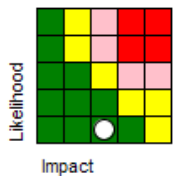

	IJB006 Failure of Health and Safety Arrangements.					Harm to employees, volunteers or contractors.						
Current Controls:						Existing WLC and NHS health and safety arrangements, policies and procedures Health and Safety Advisers collate reports for management teams which highlight key issues and provide analysis of adverse events and identify trends. Quarterly report to HSCP Health and Safety Committee Safe & well procedures and use of lone working devices to mitigate risk of lone working Recording and investigation of all incidents on DATIX/RIVO to support improvement and disseminate learning Report on Health and Safety to IJB on 26/9/17						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
25		8		4								

 IJB002 Failure to effectively implement the Strategic Plan		Failure to effectively implement the strategic plan leading to key objectives not being achieved.										
		Current Controls: National outcomes Local outcomes Strategic Plan based on national and local policy Review of the Strategic Plan by IJB SMT Approval of the Strategic Plan by IJB										
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
20		6		6			IJB16018_Ari Locality Plans - Timescale Slippage	Lorna Kemp	20-Apr-2017	28-Dec-2018		Phase one engagement on Locality Plans is due to commence March 2018 with a draft of the plans going back out to consultation in September/October 2018. Final plans will be presented to the IJB for approval in December 2018.

	IJB001 Governance Failure	Appropriate internal processes and procedures are either not in place or are ineffective, leading to a lack of leadership, accountability or scrutiny, resulting in a failure to meet key objectives, financial overspends or reputational damage.										
Current Controls:						Director Chief Finance Officer (S95 officer) Standing orders Scheme of administration Standards Officer Local code of corporate governance Code of conduct Audit, Risk and Governance Committee Internal auditor and annual audit plan Procedures for assessing disputes re resource allocations Risk management policy and strategy Annual risk management report by IJB risk manager Council and NHS Lothian annual risk management reports submitted to the IJB ARG Development sessions / training for IJB members						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
15		6		4								

	IJB003 Inadequate Performance Management					Processes for the review and scrutiny of health and council performance are either not in place or are ineffective, leading to less than robust scrutiny arrangements, and resulting in failure to identify, challenge, or rectify poor performance. Ultimately will have an adverse impact on ability to achieve key objectives.						
Current Controls:						Agreed outcomes / performance measures Robust performance management within WLC / NHS Regular monitoring by IJB SMT Regular reporting of performance to IJB including local indicators and balanced scorecard Annual performance report						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
12		6		6								

	IJB004 Failure of Clinical and Care Governance					Resulting in harm to service users, harm to reputation, or service failure.						
Current Controls:						Existing clinical and care governance arrangements within NHS and Social Policy. Effective performance reporting to IJB SMT and Board. Undertake impact assessment of service change/redesign with focus on clinical and care governance Governance reports received in accordance with planning cycle to support continuous improvement Health and Care Governance Group Annual report by Clinical Director to IJB						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
25	<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>	4	<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>	4	<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>							

	IJB007 Community Planning Failure					Inability to work effectively with partners leading to poorer outcomes. Community Planning officers from the council are represented on the Locality Groups to ensure a partnership approach to working and prevent duplication of effort where possible.						
Current Controls:						Participation in Community Planning arrangements - Chief Officer is a member of the CPP Board. Strategic Plan. Community Planning officers from the council are represented on the Locality Groups to ensure a partnership approach to working and prevent duplication of effort where possible.						
Risk Score	Original Risk Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Linked Actions Status Icon	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Description
9		3		3			IJB16018_Ari Locality Plans - Timescale Slippage	Lorna Kemp	20-Apr-2017	28-Dec-2018	<div><div>50%</div></div>	Phase one engagement on Locality Plans is due to commence March 2018 with a draft of the plans going back out to consultation in September/October 2018. Final plans will be presented to the IJB for approval in December 2018.

Appendix 2 Outstanding IJB risk actions






Report Type: Actions Report





Report Author: Kenneth Ribbons

Generated on: 05 September 2018 11:19

Report Layout: Copy of Actions Progress summary, with desired outcome

Rows are sorted by Due Date

Status	Action Code & Title	Description	Original Due Date	Due Date	Progress Bar	Assigned To	Linked Risks Code & Title
	IJB18004_Ar Implement eligibility criteria for social care	Changes to eligibility criteria for provision of direct social care support	30-Sep-2018	30-Sep-2018	<div><div>90%</div></div>	Pamela Main	IJB011 Delayed Discharge
	IJB18002_Ar Discharge to Assess	Timely discharge of patients when their acute episode of care is complete.	31-Oct-2018	31-Oct-2018	<div><div>35%</div></div>	Carol Bebbington	IJB011 Delayed Discharge
	IJB18003_Ar Single Point of Access	Single point of access for acute care to ensure patients are directed to the right resource to meet their needs and unnecessary admissions are avoided.	31-Oct-2018	31-Oct-2018	<div><div>40%</div></div>	Carol Bebbington; Pamela Main	IJB011 Delayed Discharge
	IJB16018_Ar Locality Plans - Timescale Slippage	Phase one engagement on Locality Plans is due to commence March 2018 with a draft of the plans going back out to consultation in September/October 2018. Final plans will be presented to the IJB for approval in December 2018.	20-Apr-2017	28-Dec-2018	<div><div>50%</div></div>	Lorna Kemp	IJB002 Failure to effectively implement the Strategic Plan
							IJB007 Community Planning Failure
	IJB16001_Ar Workforce Plan	Finalise and deploy workforce plan. The finalisation of the IJB Workforce Plan has a dependency on the final part of the national workforce plan which has yet to be published, and also the Health and Care (Staffing) (Scotland) Bill 2018.	31-Jul-2016	31-Dec-2018	<div><div>60%</div></div>	Marion Barton	IJB008 Workforce Planning
							IJB009 Demographic Changes

Status	Action Code & Title	Description	Original Due Date	Due Date	Progress Bar	Assigned To	Linked Risks Code & Title
	IJB17008_Ari Workforce Plan - action timescales and responsibility	The IJB Workforce Plan will include an 'action plan' with detailed SMART based activities. The finalisation of the IJB Workforce Plan has a dependency on the final part of the national workforce plan which has yet to be published, and also the Health and Care (Staffing) (Scotland) Bill 2018.	31-Oct-2018	31-Dec-2018	<div><div></div></div> 0%	Marion Barton	IJB008 Workforce Planning
	IJB18005_Ar Budget Monitoring and Reporting on Budget Risks and Savings	Further information of financial performance against funding available to the IJB, including monitoring of risk areas and savings	31-Mar-2019	31-Mar-2019	<div><div></div></div> 40%	Patrick Welsh	IJB005 Inadequate Funding
	IJB18006_Ar Development of Medium Term Financial Plan	Further development of a medium term financial plan for the period to 2022/23 for inclusion in the IJBs updated Strategic Plan.	31-Mar-2019	31-Mar-2019	<div><div></div></div> 40%	Patrick Welsh	IJB005 Inadequate Funding
	IJB18011_Ar Monitor implementation of Primary Care Improvement Plan over 3 year period 2018-2021	Full implementation of plan	30-Sep-2021	30-Sep-2021	<div><div></div></div> 10%	Carol Bebbington	IJB010 Sustainability of Primary Care

PROBABILITY TABLE

1	Unlikely	Has not happened so far and is unlikely to happen.
2	Possible	Has happened to neighbours and could happen here.
3	Likely	Has happened in the past or can be expected to happen sometime.
4	Very Likely	Has happened within the last three years and can be expected to happen again.
5	Almost Certain	It has happened several times a year and can be expected to happen.

The table is based on past history or knowledge of problems elsewhere. These are easier to judge, but you may also consider 5 is relevant for "accidents waiting to happen"

In assessing original the absence of controls can be expected to result in an increased impact or likelihood. For example, an event assessed with current controls as possible, may be assessed with the absence of controls as likely or higher.

IMPACT TABLE

Impact Risk Assessment - Each column is independent. Use the highest score.

<u>Hazard / Impact of Risk</u>	Personal safety	Property loss or damage	Regulatory / statutory / contractual	Financial loss or increased cost of working	Impact on service delivery	Personal privacy infringement	Community / environmental	Embarrass- ment
Insignificant 1	Minor injury or discomfort to an individual	Negligible property damage	None	<£10k	No noticeable impact	None	Inconvenience to an individual or small group	Contained within service unit
Minor 2	Minor injury or discomfort to several people	Minor damage to one property	Litigation, claim or fine up to £50k	£10k to £100k	Minor disruption to services	Non sensitive personal information for one individual revealed / lost	Impact on an individual or small group	Contained within service
Significant 3	Major injury to an individual	Significant damage to small building or minor damage to several properties from one source	Litigation, claim or fine £50k to £250k.	>£100k to £500k	Noticeable impact on service performance.	Non sensitive personal information for several individuals revealed / lost	Impact on a local community	Local public or press interested
Major 4	Major injury to several people or death of an individual	Major damage to critical building or serious damage to several properties from one source	Litigation, claim or fines £250k to £1m	>£500k to £2m	Serious disruption to service performance	Sensitive personal information for one individual revealed / lost	Impact on several communities	National public or press interest
Catastrophic 5	Death of several people	Total loss of critical building	Litigation, claim or fines above £1m or custodial sentence imposed	>£2m	Non achievement of key corporate objectives	Sensitive personal information for several individuals revealed / lost	Impact on the whole of West Lothian or permanent damage to site of special scientific interest	Officer(s) and/or members dismissed or forced to resign

RISK MATRIX

PROBABILITY	Almost Certain 5	5 Low	10 Medium	15 High	20 High	25 High
	Very Likely 4	4 Low	8 Medium	12 High	16 High	20 High
	Likely 3	3 Low	6 Low	9 Medium	12 High	15 High
	Possible 2	2 Low	4 Low	6 Low	8 Medium	10 Medium
	Unlikely 1	1 Low	2 Low	3 Low	4 Low	5 Medium
		Insignificant 1	Minor 2	Significant 3	Major 4	Catastrophic 5
		IMPACT				

West Lothian Integration Joint Board Audit Risk and Governance Committee

Date: 12 September 2018

Agenda Item: 10.

INTERNAL AUDIT OF THE SUSTAINABILITY OF PRIMARY CARE

REPORT BY INTERNAL AUDITOR

A PURPOSE OF REPORT

To inform the Committee of our internal audit of the risk in the IJB's risk register in relation to the sustainability of primary care.

B RECOMMENDATION

It is recommended that the Committee considers the internal audit report and its findings, and notes that control is considered to be effective.

C TERMS OF REPORT

In accordance with the internal audit plan for 2018/19, we have undertaken an audit of risk IJB010 "Sustainability of Primary Care". This is currently the IJB's joint highest risk.

The objective of the audit was to review the key controls set out in the IJB's risk register to mitigate this risk. We have conducted a high level review of the controls, and we have concluded that control is effective. Our audit report is appended, and agreed management action is included as an action plan within the report. We have recommended that consideration be given to adding further risk actions to risk IJB010 in the IJB risk register to enable progress in implementing the Primary Care Implementation and Improvement Plan Work Plan to be recorded.

D CONSULTATION

General Manager, Primary Care and Community, as part of the audit process.

E REFERENCES/BACKGROUND

Report to West Lothian Integration Joint Board Audit Risk and Governance Committee 28 March 2018: Internal Audit Plan 2018/19.

F APPENDICES

Internal audit report: Sustainability of Primary Care

G SUMMARY OF IMPLICATIONS

Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, equality impact assessment has not been conducted.
National health and Well-Being Outcomes	Indirectly via the audit of key processes to determine their effectiveness.
Strategic Plan outcomes	Indirectly via the audit of key processes to determine their effectiveness.
Single Outcome Agreement	Indirectly via the audit of key processes to determine their effectiveness.
Impact on other Lothian IJBs	None.
Resource/Finance	None.
Policy/Legal	None.
Risk	The audit links directly to risk IJB010 “Sustainability of Primary Care”.

H CONTACT

Kenneth Ribbons, Internal Auditor, tel. 01506 281573

Kenneth.ribbons@westlothian.gov.uk

12 September 2018

EX1804

INTERNAL AUDIT REPORT

WEST LOTHIAN INTEGRATION JOINT BOARD

SUSTAINABILITY OF PRIMARY CARE

5 September 2018

CONTENTS

No.	Section	Page
1.	Executive Summary	1 – 2
2.	Remit	3
3.	Action Plan	4
	Appendix A - Definitions of Audit Findings & Audit Opinion	5
	Appendix B – Risk IJB010	6

1.0 EXECUTIVE SUMMARY

- 1.1 In accordance with the annual audit plan for 2018/19, we have undertaken a review of the risk in relation to the sustainability of primary care and conclude that the level of control is **effective**.
- 1.2 The audit remit is set out in section two.
- 1.3 Primary care medical services provided under the General Medical Services (GMS) Contract are one of the NHS Lothian services delegated to the IJB with effect from 1 April 2016, under the Integration Scheme approved by the Scottish Government.
- 1.4 The implementation of the 2018 GMS Contract takes place over the three years from April 2018. The key principles of the Contract were reported to the IJB on 26 June 2018 as follows:
- a shift in the GP role to Expert Medical Generalist leading a team and away from the responsibilities of managing a team and responsibility for premises.
 - a new workload formula for practice funding and income stabilisation for GPs.
 - reducing GP workload through HSCPs employing additional staff to take on roles currently carried out by GPs.
 - reducing risk to GPs through these measures.

These principles are intended to be achieved through collaborative working between Health and Social Care Partnerships (HSCP's), Health Boards and the GP Subcommittee of Local Medical Committees.

- 1.5 The West Lothian Primary Care Implementation and Improvement Plan 2018-21 outlines those aspects of the new contract development that will fall within the remit of the West Lothian HSCP. The Plan was presented to the NHS Lothian Local Medical Committee on 11 June 2018 and to the IJB in June 2018. The Plan was subsequently submitted to the Scottish Government and at the time of writing no feedback has as yet been received.
- 1.6 It was confirmed that the following key controls, as stated in Pentana, are in place:
- there is a risk register at HSCP level of all practices and vulnerability rating;
 - a programme of support measures has been developed and is available to be tailored to each practice's individual circumstances to increase their resilience and maintain service provision;
 - there is additional investment to support practices through LEGUP (List Extension Grant Uplift), primary care investment fund;
 - there are buddy practice arrangements in place across all practices;
 - there are cluster working arrangements in place covering the East and West of West Lothian.
- 1.7 A Work Plan which details the workstreams that will be progressed to implement the improvements included in the Primary Care Implementation and Improvement Plan is also in place. The Work Plan is currently focussing on activities that will be undertaken during years one and two of the Plan (2018/19 and 2019/20), and funding of £1.4 million for West Lothian for 2018/19 was confirmed by the Scottish Government in May 2018.
- 1.8 The Work Plan includes information on the priority levels of workstreams, progress to date, next planned steps and also includes the names of the lead officers who have overall responsibility for each workstream. The progression of the Work Plan is

supported by the Primary Care Forum and Implementation Group, West Lothian GP Cluster Groups, and the Practice Manager Group. The Local Medical Committee and NHS Lothian Primary Care Oversight Group will also have an overview role.

- 1.9 We were advised that the IJB will be provided with a further update on the progress of the Primary Care Implementation and Improvement Plan in Spring 2019, after the 2019 Primary Care Summit takes place.
- 1.10 There were no high importance findings identified during our review.
- 1.11 The action plan in section three details our findings, grades their importance (Appendix A) and includes agreed actions. The implementation of agreed actions will help improve control.
- 1.12 We appreciate the assistance of NHS Lothian staff during the conduct of our audit. Should you require any further assistance please contact Sharon Leitch.

Kenneth Ribbons
Internal Auditor

2.0 REMIT

- 2.1 The audit objective was to undertake a high level review of the internal controls and actions in place to mitigate risk IJB010: Sustainability of Primary Care (Appendix B).
- 2.2 Our review concentrated on the key controls and our testing was undertaken on a sample basis. Therefore, the weaknesses we have identified are not necessarily all those which exist.
- 2.3 In undertaking the review we have not reviewed any of the detailed underlying operational arrangements within NHS Lothian. Responsibility for the internal audit of these operational arrangements rests with the internal audit service of NHS Lothian.
- 2.4 We agreed the draft report for factual accuracy with Carol Bebbington, General Manager, Primary Care and Community, Elaine Duncan, Clinical Director and Marion Barton, Head of Health on 4 September 2018.
- 2.5 The IJB Director is responsible for both the implementation of agreed actions and the risk arising from not acting on any agreed actions in this report.
- 2.6 We carry out follow-up reviews on a risk based approach. The IJB Internal Auditor will determine the need for a follow-up review of this report.
- 2.7 In accordance with the IJB's risk management arrangements, findings graded of "high" or "medium" importance are recorded in Pentana (formerly Covalent) as risk actions and linked to the corresponding risks.
- 2.8 Audit findings ranked as being of 'high' importance that are not implemented will be reported to the Audit, Risk and Governance Committee and considered for inclusion in the Annual Governance Statement.

3.0 ACTION PLAN

Ref	Findings & Risk	Agreed Action	Importance Level
3.1	<p><u>Update of Risk IJB010 in Pentana</u></p> <p>Appendix B shows the above risk as it was recorded in Pentana at the time of the completion of the audit, and the risk score remains as 'High'. As the Primary Care Implementation and Improvement Plan has now been approved, there is a need for the risk to be further reviewed to consider the scope for the inclusion of additional risk actions. It is acknowledged that these actions are likely to come from the Primary Care Implementation and Improvement Plan Work Plan.</p> <p><u>Risk</u> <i>Lack of up to date and accurate risk assessment information, resulting in potential for errors in the management of risk.</i></p>	Risk action to monitor the implementation of the Primary Care Improvement Plan will be included in Pentana. This will cover the three year period of the plan, 2018-2021.	Low
			Responsible Officer
			Carol Bebbington
			Risk Identifier
			IJB010
			Action Date
			Complete

DEFINITIONS OF AUDIT FINDINGS & AUDIT OPINION

AUDIT IMPORTANCE LEVELS

Importance levels of '**High**', '**Medium**' or '**Low**' are allocated to each audit finding within the action plan.

These reflect the importance of audit findings to an effective system of internal control and must be considered in the context of the business processes being audited (Section 2 – Audit Remit).

AUDIT OPINION

Our overall opinion on the controls in place is based on the level of importance attached to the findings in our audit report. The overall audit opinions are as follows:

Overall Opinion	Definition
EFFECTIVE	No findings ranked as 'High' importance. There may be a few 'Low' and 'Medium' ranked findings.
SATISFACTORY	No findings ranked as 'High' importance however there are a moderate number of 'Low' and 'Medium' ranked findings.
REQUIRES IMPROVEMENT	A few findings ranked as 'High' importance. There may also be a number of findings ranked as 'Low' and 'Medium' importance.
UNSOUND	A considerable number of findings ranked as 'High' importance resulting in an unsound system of control. There may also be a number of findings ranked as 'Low' and 'Medium' importance.


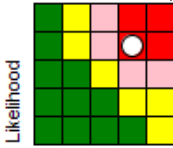
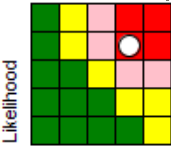
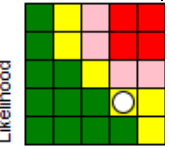
RISK IJB010: Sustainability of Primary Care

Report Author: Kenneth Ribbons

Generated on: 30 August 2018 11:41

Report Layout: .R09g_Internal Controls, Original Score, Current Score, Target Score with linked actions and latest note

Rows are sorted by Risk Score, Risk Score

	IJB010 Sustainability of Primary Care					There is a risk that GP service provision will be disrupted, restricted or unavailable because of increasing capacity and demand issues as a result of population growth and/or GP practices experiencing difficulties in recruitment, retention or absence of medical staffing leading to significant capacity issues and inadequate and insufficient service provision.					
Current Controls:						1. Risk register at HSCP level of all practices identifying vulnerability rating. 2. Programme of support measures developed and available to be tailored to each practices individual circumstances to increase their resilience and maintain service provision 3. Additional investment to support practices through LEGUP, primary care investment fund 4. Buddy practice arrangements in place across all practices; 5. Cluster working arrangements established 6. Primary Care Implementation and Improvement Plan prepared and submitted to the IJB on 26/6/18.					
Risk Score	Original Risk Original Matrix	Risk Score	Current Risk Matrix	Risk Score	Target Risk Matrix	Risk Actions	Assigned to:	Original Due Date	Due Date	Progress	Action
16		16		8							

West Lothian Integration Joint Board Audit Risk and Governance Committee

Date: 12 September 2018

Agenda Item: 11

COMMITTEE SELF-ASSESSMENT - RESULTS

REPORT BY DIRECTOR

A PURPOSE OF REPORT

The purpose of this report is to inform the Audit Risk and Governance Committee on the results of the self-assessment survey of the Committee's administrative arrangements and activity.

B RECOMMENDATION

It is recommended that the Committee:

1. Notes the results of the self-assessment questionnaire; and
2. Discuss if any actions should arise from the results.

C TERMS OF REPORT

C1 Self-assessment questionnaire

The CIPFA Framework under which the Board's Code of Corporate Governance is being developed suggests that committees involved in scrutiny and internal control should periodically conduct a self-assessment of their effectiveness and operation. The aim is to involve members in close consideration of the role of the committee and its members, its administrative arrangements and the context in which it operates.

A questionnaire was developed and it was agreed at the Committee's meeting of 28 March 2018 that this would be issued to Committee members. The survey was issued on 23 May and members were asked to complete the survey by 8 June.

Five voting members completed the survey. The results are anonymous and are

appended to this report as Appendix 1.

C2 Consideration of results

The majority of respondents indicated that they “strongly agreed” or “agreed” with all but one statement. 60% of respondents indicated that they “neither agreed nor disagreed” with the statement “Stakeholders (including other members and the public) are made aware of and understand committee's activity”.

The Committee is asked to consider the results in full and highlight any area where action should be taken.

D CONSULTATION

The questionnaire was agreed by Committee at its meeting of 28 March 2018 and circulated to all members.

E REFERENCES/BACKGROUND

Audit, Risk & Governance Committee remit and powers – Board meetings of 5 April 2016, 5 December 2017 and 28 March 2018.

“Delivering Good Governance in Local Government - Framework (CIPFA/SOLACE, 2016)

“Delivering Good Governance in Local Government - Guidance Notes for Scottish Authorities (CIPFA/SOLACE, 2016)

F APPENDICES

Appendix 1: Committee Self-Assessment Survey Results

G SUMMARY OF IMPLICATIONS

Equality/Health	The report has been assessed as having little or no direct relevance with regard to equality or the Public Sector Equality Duty. As a result, an equality impact assessment has not been conducted.
National Health and Wellbeing Outcomes	There is no direct relevance to the Strategic Plan, but good governance leads ultimately to good outcomes
Strategic Plan Outcomes	There is no direct relevance to the Strategic Plan, but good governance leads ultimately to good outcomes

Single Outcome Agreement There is no direct relevance to the Strategic Plan, but good governance leads ultimately to good outcomes

Impact on other Lothian IJBs None.

Resource/finance None.

Policy/Legal See Section E

Risk None.

H CONTACT

Lorna Kemp – Project Officer IJB
lorna.kemp@westlothian.gov.uk
01506 283519

12 September 2018

Audit, Risk & Governance Committee - Self-Assessment Questions

A - Purpose and Status

1) Committee's role and powers are set out in Standing Orders *

Number of participants: 5

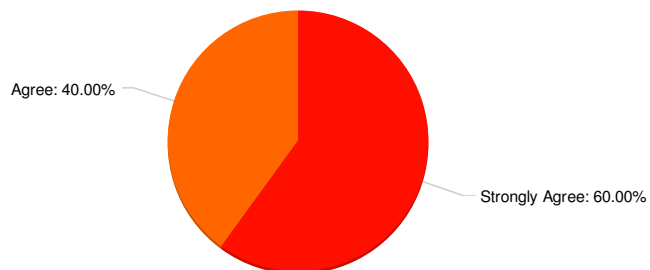
3 (60.0%): Strongly Agree

2 (40.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 1

- Broad headings are addressed.

2) Committee's role and powers are clear and understood *

Number of participants: 5

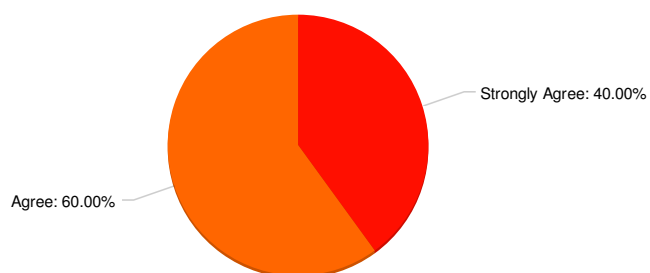
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 1

- It is difficult to understand whether this is by individuals, the IJB, or the committee in question.

3) Committee is regarded by other members as a positive influence *

Number of participants: 5

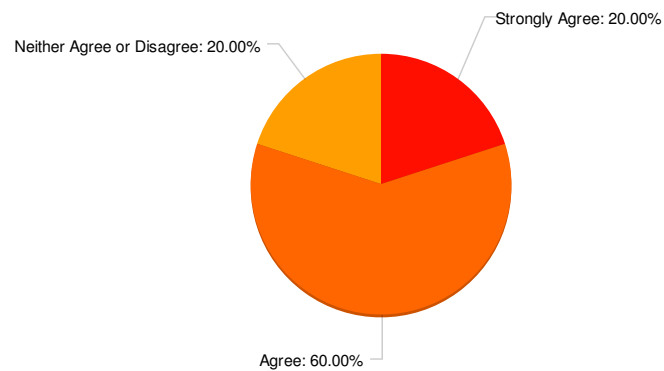
1 (20.0%): Strongly Agree

3 (60.0%): Agree

1 (20.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 1

- Based on Broad assessment of perceived responses from rest of IJB

4) Committee's recommendations are respected and acted upon *

Number of participants: 5

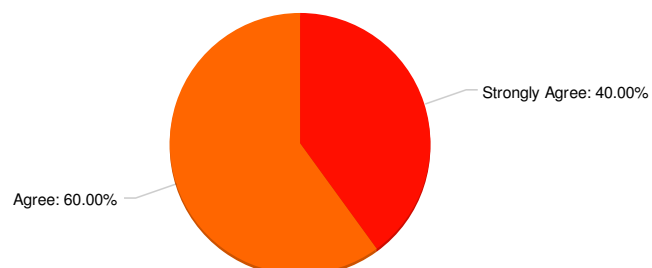
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or
Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

5) There is adequate communication with officers and board *

Number of participants: 5

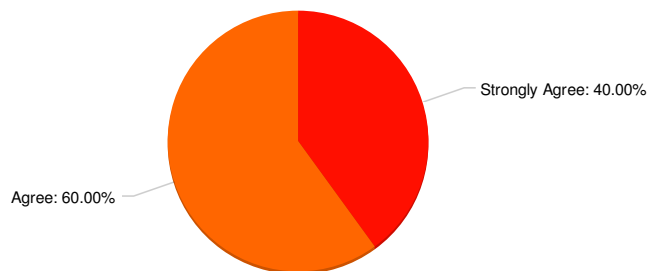
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 1

- Yes interface seems to be effective

B - Administrative Arrangements and Support

1) Committee is of an appropriate size and composition *

Number of participants: 5

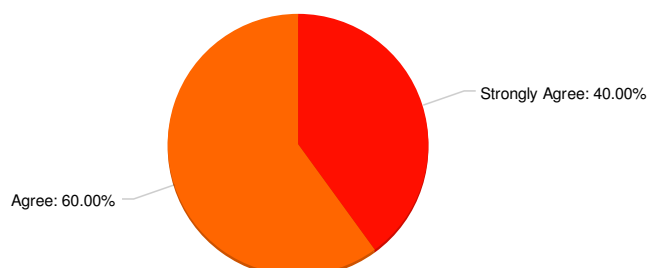
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 1

- Both non voting members involved

2) Committee is provided with adequate officer support (professional and administrative) *

Number of participants: 5

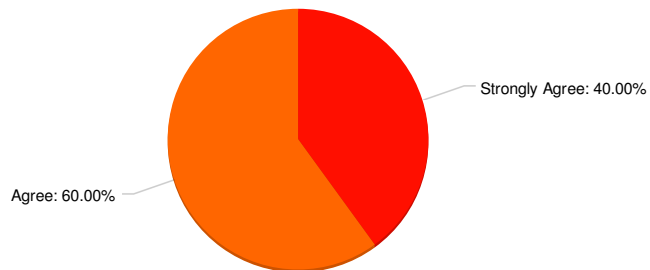
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 1

- well serviced by the governance officer

3) Meetings are sufficiently frequent and at appropriate times of the year *

Number of participants: 5

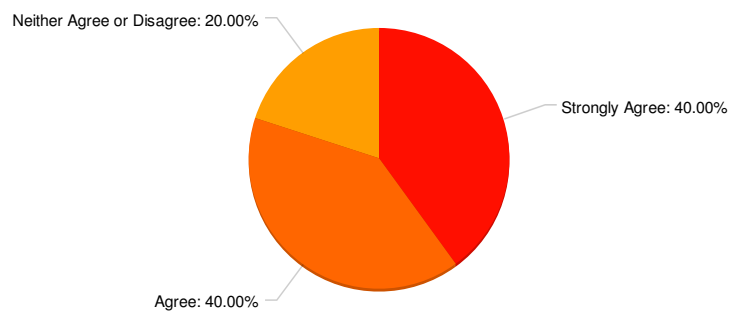
2 (40.0%): Strongly Agree

2 (40.0%): Agree

1 (20.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 1

- Sometimes they have coincided with annual leave and other demands

4) Committee maintains a work plan balancing forward planning with flexibility for reactive work *

Number of participants: 5

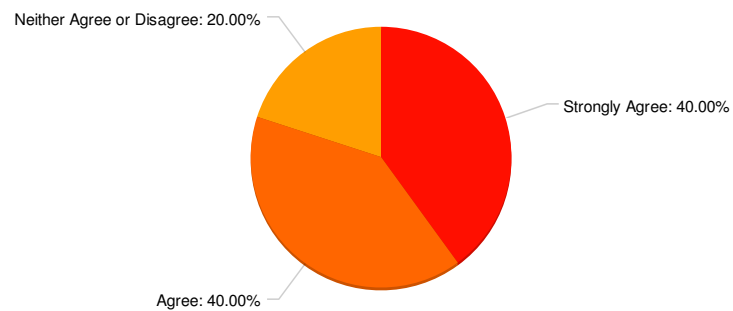
2 (40.0%): Strongly Agree

2 (40.0%): Agree

1 (20.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

5) Meeting papers are distributed appropriately (timeliness and format) to enable proper preparation *

Number of participants: 5

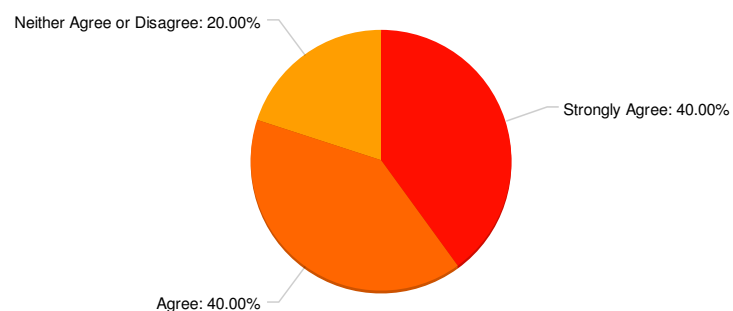
2 (40.0%): Strongly Agree

2 (40.0%): Agree

1 (20.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

6) Reports and minutes provide relevant, appropriate and sufficient information *

Number of participants: 5

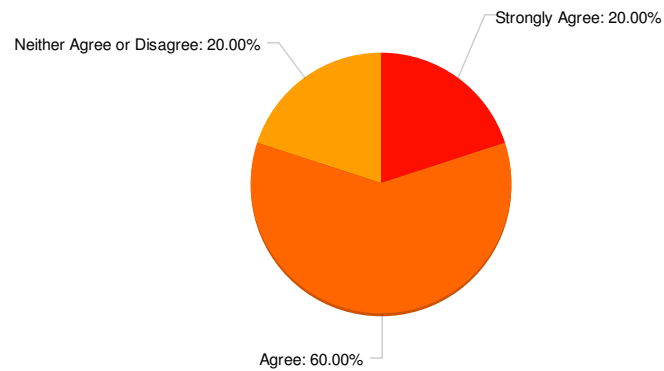
1 (20.0%): Strongly Agree

3 (60.0%): Agree

1 (20.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

7) Start times and time allowed for meetings provide sufficient time for business to be done *

Number of participants: 5

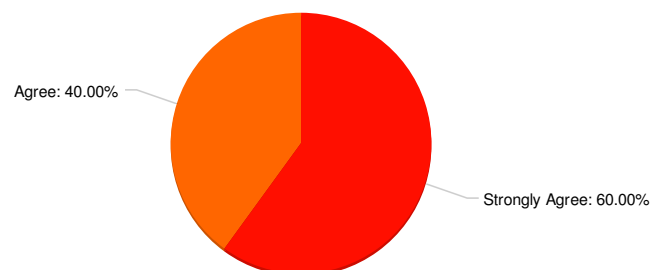
3 (60.0%): Strongly Agree

2 (40.0%): Agree

- (0.0%): Neither Agree or
Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

8) Public access to reports and meetings is maximised and excluded only where legally justified *

Number of participants: 5

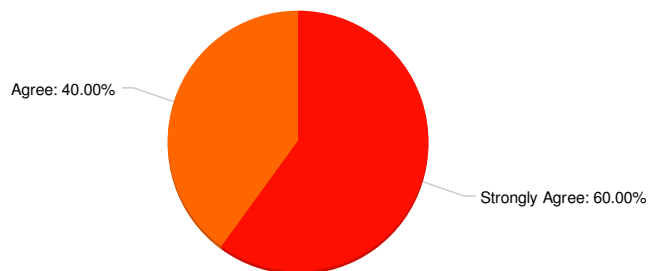
3 (60.0%): Strongly Agree

2 (40.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

9) Committee is able to secure the attendance and assistance of appropriate senior officers *

Number of participants: 5

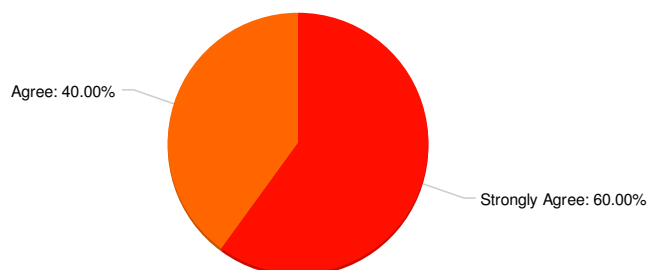
3 (60.0%): Strongly Agree

2 (40.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

10) Committee is able to secure appropriate professional advice when required *

Number of participants: 5

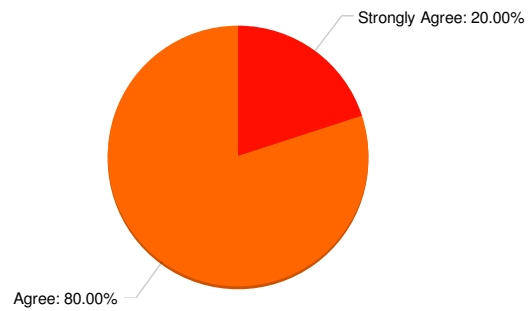
1 (20.0%): Strongly Agree

4 (80.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

C - Members

1) Committee members understand their role *

Number of participants: 5

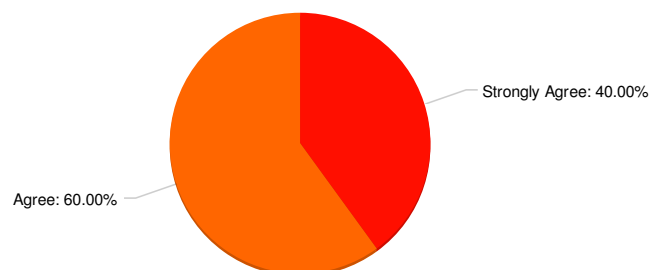
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

2) Committee has an appropriate mix of knowledge, expertise, experience and skills *

Number of participants: 5

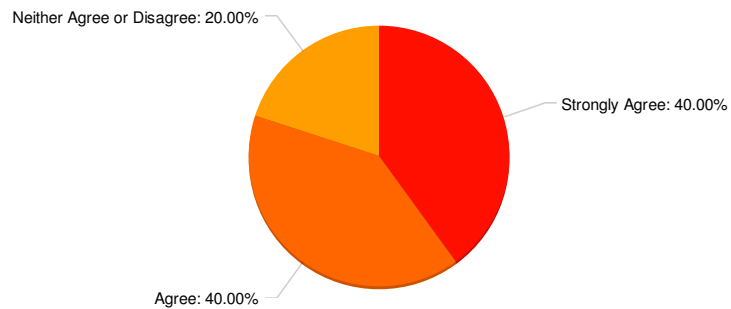
2 (40.0%): Strongly Agree

2 (40.0%): Agree

1 (20.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

3) Committee members receive sufficient and appropriate training and briefings *

Number of participants: 5

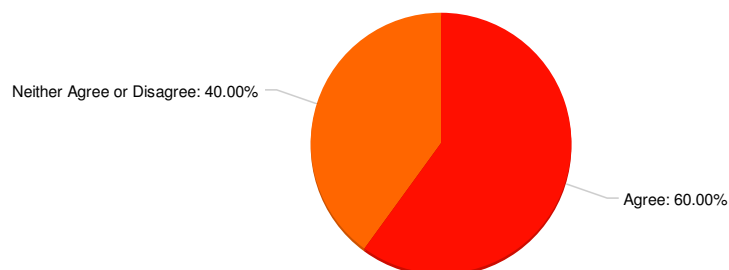
- (0.0%): Strongly Agree

3 (60.0%): Agree

2 (40.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

4) Committee members undertake personal development relevant to their role and responsibilities *

Number of participants: 5

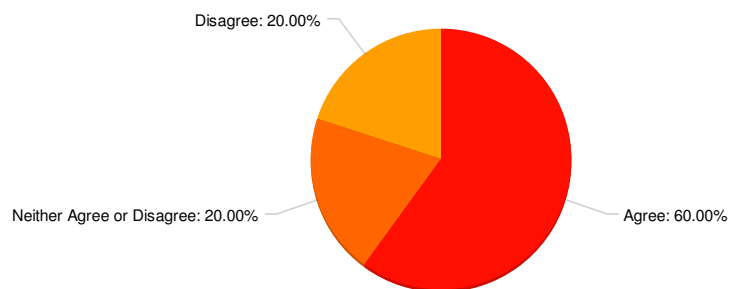
- (0.0%): Strongly Agree

3 (60.0%): Agree

1 (20.0%): Neither Agree
or Disagree

1 (20.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

5) Chair promotes and encourages effective and efficient meetings including input from officers and members *

Number of participants: 5

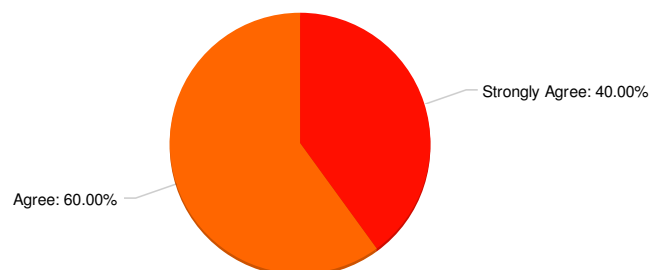
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or
Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

6) Members prepare, attend meetings and actively contribute *

Number of participants: 5

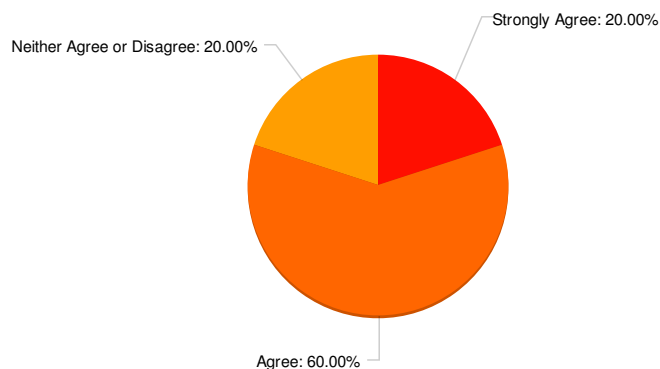
1 (20.0%): Strongly Agree

3 (60.0%): Agree

1 (20.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

D - Effectiveness

1) Committee functions in a positive and constructive manner, including interaction amongst members and with officers *

Number of participants: 5

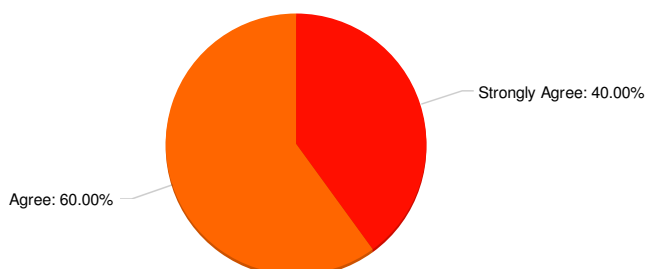
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or
Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

2) Scrutiny is encouraged and accepted as a means to improve *

Number of participants: 5

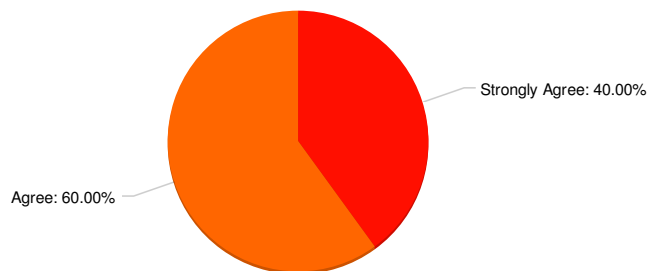
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

3) Committee provides constructive challenge to officers *

Number of participants: 5

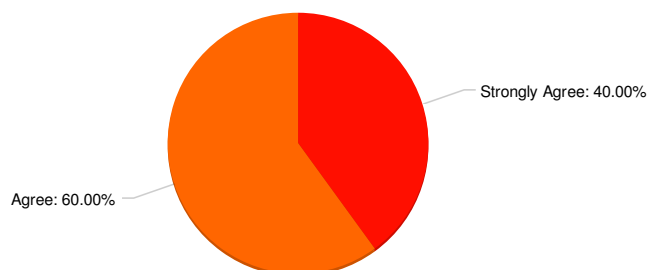
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

4) Committee receives adequate responses from officers to questions *

Number of participants: 5

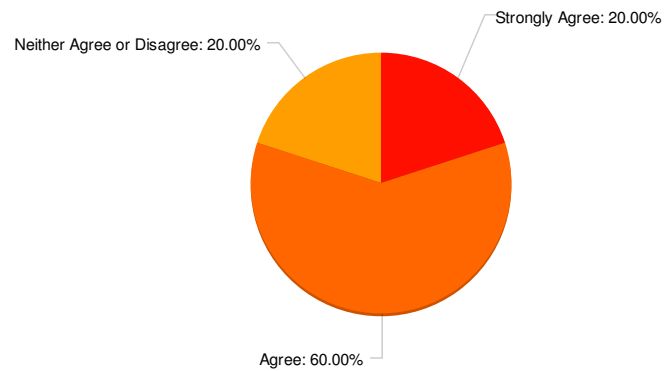
1 (20.0%): Strongly Agree

3 (60.0%): Agree

1 (20.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

5) Committee members feel comfortable asking candid questions and pursuing full answers *

Number of participants: 5

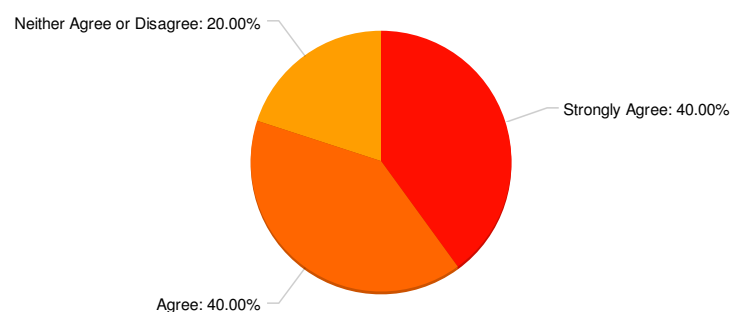
2 (40.0%): Strongly Agree

2 (40.0%): Agree

1 (20.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

6) Decisions and recommendations are captured to enable them to be recorded accurately *

Number of participants: 5

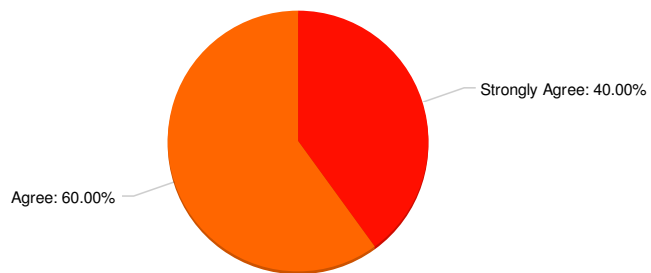
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

7) Decisions are executed properly and in a timely manner and are followed up by committee *

Number of participants: 5

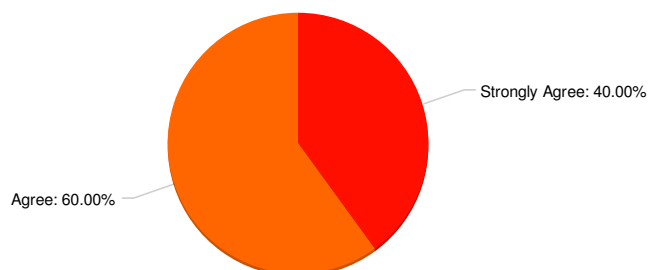
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

8) There is evidence from meeting papers and minutes of impacts or improvements from committee activity *

Number of participants: 5

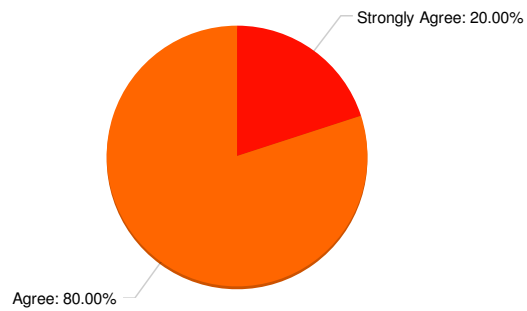
1 (20.0%): Strongly Agree

4 (80.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

9) Committee has good working relations with key officers, members and organisations *

Number of participants: 5

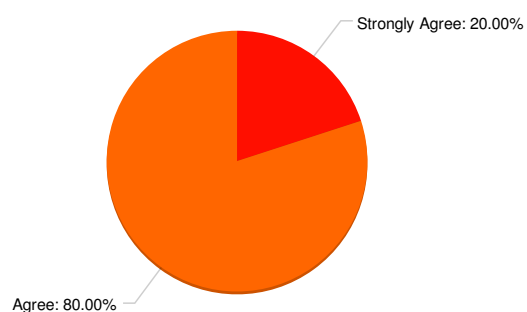
1 (20.0%): Strongly Agree

4 (80.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

10) Stakeholders (including other members and the public) are made aware of and understand committee's activity *

Number of participants: 5

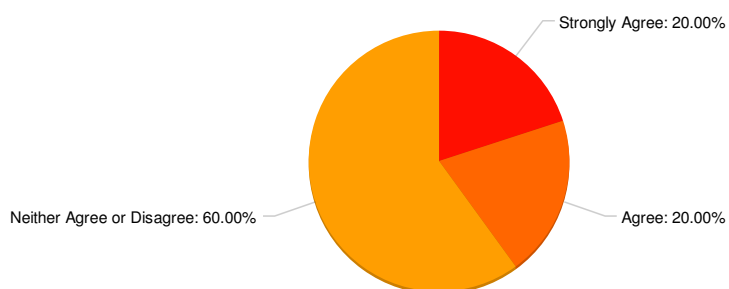
1 (20.0%): Strongly Agree

1 (20.0%): Agree

3 (60.0%): Neither Agree
or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

E - Matters specific to committee remit and activities

1) Interaction with Board is defined and understood *

Number of participants: 5

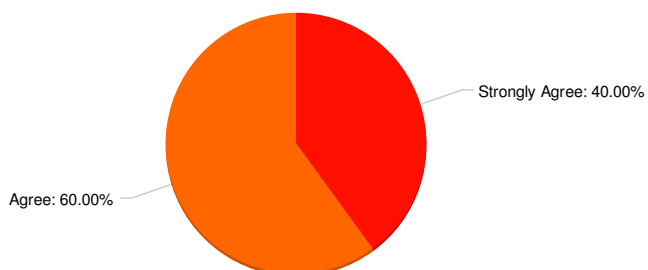
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or
Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 1

- Though I believe more scrutiny at Board level of this committees work should be occurring

2. Meetings are attended by external auditor representatives where appropriate *

Number of participants: 5

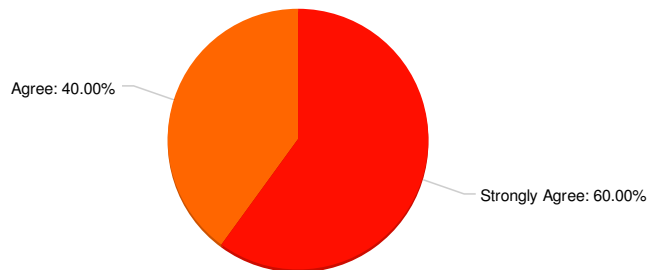
3 (60.0%): Strongly Agree

2 (40.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

3. Committee's role in relation to the Board's annual accounts is defined and understood *

Number of participants: 5

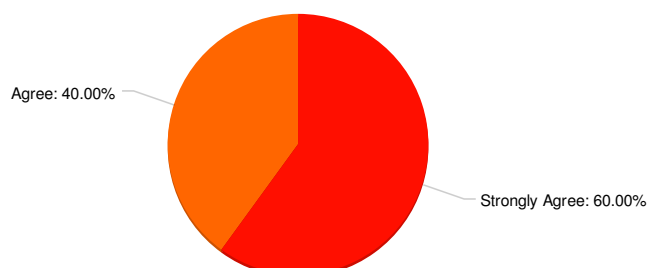
3 (60.0%): Strongly Agree

2 (40.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

4) Members consider fully the contents and conclusions of the Annual Governance Statement before its approval *

Number of participants: 5

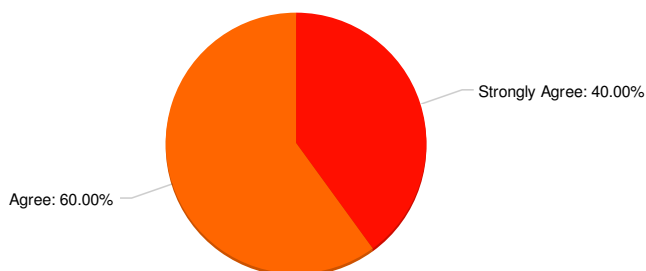
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

5) Committee provides effective review and challenge of risk and governance arrangements and controls *

Number of participants: 5

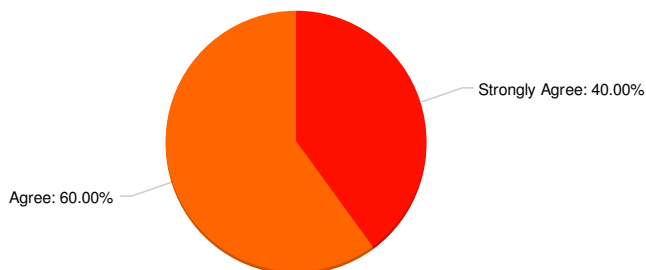
2 (40.0%): Strongly Agree

3 (60.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

6) Committee contributes to effective accountability to the public through challenge of governance, risk and control *

Number of participants: 5

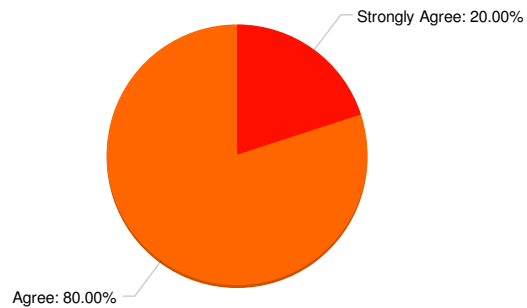
1 (20.0%): Strongly Agree

4 (80.0%): Agree

- (0.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

7) Committee contributes effectively to the Board's control environment *

Number of participants: 5

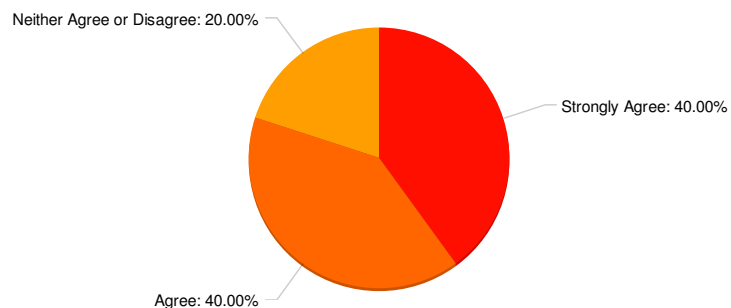
2 (40.0%): Strongly Agree

2 (40.0%): Agree

1 (20.0%): Neither Agree or Disagree

- (0.0%): Disagree

- (0.0%): Strongly Disagree



Comments

Number of participants: 0

**WORKPLAN FOR WEST LOTHIAN INTEGRATION JOINT BOARD
AUDIT RISK AND GOVERNANCE COMMITTEE**

Date of Meeting	Agenda Setting	Title of Report	Lead Officer	Action
12 September 2018	7 August 2018			CR3, WL CIVIC CENTRE
		Risk Management Annual Reports	K Ribbons	
		Internal Audit of Sustainability of Primary Care	K Ribbons	
		Audit of 2017/18 Annual Accounts	P Welsh	
		Best Value for Integration Joint Boards	P Welsh	
		Committee Self-Assessment – Results	L Kemp	
		Procedure for Consideration of Annual Accounts	J Millar	
		Risk Management	K Ribbons	
12 December 2018	5 November 2018			CR3, WL CIVIC CENTRE
		High Risks (6 monthly)	K Ribbons	
		Internal Audit of Workforce Planning Update	K Ribbons	
		Internal Audit Report – Delayed Discharge	K Ribbons	
		Internal Audit Report – Governance Follow Up	K Ribbons	
		Internal Audit Annual Report	K Ribbons	
6 March 2018	4 February 2018			CR3, WL CIVIC CENTRE
		Risk Management Report (6 monthly)	K Ribbons	
		Internal Audit Plan 2019/20	K Ribbons	
5 June 2019	6 May 2019			CR3, WL CIVIC CENTRE
		Internal Audit Annual Report	K Ribbons	
		High Risks Report (6 monthly)	K Ribbons	
Date to be advised		Members Training	J Millar	Training for IJB AR&G Committee Members

Date: 12 September 2018
Agenda Item: 12