

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, on 6TH JANUARY 2017.

Present

Voting Members – Martin Hill (Chair), Anne McMillan and Lynsay Williams (by conference call)

Non-Voting Members – Martin Murray and Jane Houston

Apologies - John McGinty

In attendance – James Millar (Standards Officer, West Lothian Council Governance Manager), Kenneth Ribbons (West Lothian IJB Internal Auditor), Patrick Welsh (Chief Finance Officer, West Lothian IJB), Jane Kellock (Head of Social Policy/Chief Social Work Officer, West Lothian Council)

Apologies – Jim Forrest, Director

Opening Remark

The Chair advised that Danny Logue had been appointed as Chair of the Integration Joint Board (IJB) and therefore had to stand down from being a member of the IJB Audit Risk and Governance Committee. John McGinty was appointed as a voting member of the IJB Audit Risk and Governance Committee replacing Danny Logue.

1. DECLARATIONS OF INTEREST

No declarations of interest were made.

2. MINUTE

The Committee agreed the minute of the meeting held on 23 September 2016 as being a correct record. The Chair thereafter signed the minute.

Matters arising:

Page 10: item 7: Internal Audit Plan 2016/17

The Internal Auditor advised that following discussions with the Internal Audit Team at NHS Lothian, confirmation was received that a report on the Internal Audit on Performance Management within NHS Lothian would be available to submit to the June meeting of the IJB Audit Risk and Governance Committee for consideration. A report on the Internal Audit of IJB Performance Management would also be available at the same time.

### Decision

Agreed that the following reports would be submitted to the meeting of the IJB Audit Risk and Governance Committee in June 2017:

- Internal Audit on Performance Management within NHS Lothian; and
- Internal Audit of IJB Performance Management

### 3. RISK MANAGEMENT

The Committee considered a report (copies of which had been circulated) by the Director providing details of the progress made in relation to management of the IJB's risks.

The report recalled that the Integration Scheme required the IJB to maintain a risk register and that the IJB Director would produce and agree a list of the risks to be reported and monitored. A risk register was set up using West Lothian Council's Covalent system. The risks to be reported and monitored were attached at appendix 1 to the report. The methodology used to identify the risks was attached at appendix 2 to the report and appendices 3 and 4 set out, for comparison purposes, relevant risks from the NHS Lothian and West Lothian Council risk registers. The extract from the NHS Lothian risk register related to relevant corporate risks and the West Lothian Council risks related to the council's Social Policy service.

The Integration Scheme also requires the IJB to operate a Risk Management Policy and Strategy, which was under development and expected to be submitted to the IJB for approval in March 2017.

The Internal Auditor then responded to questions from the Committee. During the course of the discussion Jane Houston commented that the symbols used to highlight the risks were difficult to identify in hard copies that were not in colour.

The Chair recommended that future reports submitted to the IJB Audit, Risk and Governance Committee should contain more detailed information and different formatting to highlight the mitigating circumstances of risk, the timeframes involved and the actions carried out to reduce the risks and to highlight what the target risk score would be when actions were completed.

The Internal Auditor advised that the information provided was a summary of the information logged within the Council's Covalent system. Risks would continue to be identified by the IJB Senior Management Team. He advised that he would forward the comments made by the Committee to the IJB Director and confirmed that he would be happy to liaise with the IJB Senior Management Team regarding the actions taken to reduce the risk scores.

The Chair suggested that more detailed reports be submitted to the IJB

Audit, Risk and Governance Committee for consideration and a summarised version submitted to the IJB.

It was recommended that the Committee note the progress on risk management as set out in the report and consider the risks identified and the control measures in place to mitigate their impact.

### Decision

1. Noted the contents of the report;
2. Noted the recommendation that more detailed information be presented to the IJB Audit, Risk and Governance Committee to highlight the mitigating circumstances of risk, timeframes involved, actions carried out and what the target risk score would be when actions were completed.

4. **INTERNAL AUDIT OF WEST LOTHIAN INTEGRATION JOINT BOARD GOVERNANCE ARRANGEMENTS**

The Committee considered a report (copies of which had been circulated) by the Internal Auditor providing details of the internal audit undertaken of the IJB's governance arrangements.

The report advised that in accordance with the internal audit plan for 2016/17 an audit of the IJB's governance processes was carried out, details of which were attached within an appendix to the report. The agreed management actions were also included as an action plan within the appendix.

The internal audit work involved reviewing the IJB's current governance processes. A review process was in place to ensure that all the requirements of the Integration Scheme were in place or were in progress and regular update meetings were being held with the IJB Director to review progress. A number of areas for improvement were identified which were set out in the action plan. The action plan detailed the findings of the internal audit carried out and graded their importance and agreed actions. The findings concluded that the level of control required improvement. A number of areas of work in progress also required to be timeously brought to a conclusion.

The Internal Auditor advised that The Integration Scheme between West Lothian Council and NHS Lothian required the Board to approve a Strategic Plan which would be developed through its Strategic Planning Group detailing a rolling three year action plan, which would be reviewed and updated on an annual basis. It was proposed that a report to include the action plan would be presented to the meeting of the IJB scheduled to be held on 14 March 2017.

During the course of the discussion the Chair recommended that due to the importance of the findings of the internal audit of the IJB's governance arrangements it would be appropriate to provide an update on the progress of the Strategic Plan – three year rolling action plan to the next

meeting of the IJB scheduled to be held on 31 January 2017.

In response to a question relating to the membership of the IJB the Standards Officer undertook to submit a report to the IJB relating to the Board's governance arrangements which would include the remit and rules of membership and procedure for appointing members to the IJB committees and working groups.

In relation to page 10, point 3.8 of the action plan it was noted that the Integration Scheme required the Chief Social Worker and the Clinical Director to provide an annual report to the Board in relation to aspects of their position relating to the delivery of delegated functions. The Internal Auditor undertook to check with the Director to ensure that the Clinical Director was aware that a report was to be presented to the IJB by 30 June 2017 covering clinical governance for 2016/17.

It was recommended that the Committee note the contents of the report and the conclusion that control requires improvement.

#### Decision

1. Noted the contents of the report;
2. Noted the recommendation from the Chair that an update on the Strategic Plan – three year rolling action plan be provided to the next meeting of the IJB;
3. Noted that a report on the IJB's Governance Arrangements would be submitted to the Board to include remit and rules of membership and procedure for appointing members to the IJB committees and working groups; and
4. Noted that the Internal Auditor undertook to liaise with the Director/Clinical Director to ensure that a report covering clinical governance for 2016/17 be submitted to the IJB by 30 June 2017.

#### 5. SOURCING LEGAL ADVICE

The Committee considered a report (copies of which had been circulated) by the Standards Officer providing an update on the options available for the Board to have access to independent legal advice.

The report explained that the provision to the Board of legal advice was a service required for the purpose of carrying out the functions conferred by the Public Bodies (Joint Working) (Scotland) Act 2014. The report provided details of the options available to the Board to have access to legal advice and the advantages and difficulties attached.

At a previous meeting the Committee requested advice about the options available for obtaining legal advice in the event that there was a conflict of interest which meant that the council's solicitors were unable to act. The council's Chief Solicitor provided a summary of the options available,

details of which were outlined within the report.

A further complicating factor was noted if the Board incurred any legal fees as it held no funds of its own as budget contributions from council and health board were intended for service delivery. There was no provision made in the budget contributions to the Board for potential legal costs.

The Committee then discussed the options highlighted within the report. The following recommendation was made:

"In the event of dispute, the dispute resolution process already in place within the Scheme of Integration should be applied. In the event that legal advice was required then advice should be sought from WLC legal advisers. In the more rare event that there was a conflict of interest then specific independent legal advice should be sought."

It was recommended that the Committee notes the options available and the advantages and difficulties attached and considered whether any recommendations should be made to the Board.

#### Decision

1. Noted the contents of the report; and
2. Recommended that in the event of dispute the following procedure should be followed:

The dispute resolution process already in place within the Scheme of Integration should be applied. In the event that legal advice was required then advice should be sought from WLC legal advisers. In the more rare event that there was a conflict of interest then specific independent legal advice should be sought.

## 6. ETHICAL STANDARDS IN PUBLIC LIFE

The Committee considered a report (copies of which had been circulated) by the Standards Officer providing details of the statutory duties incumbent on the Board and its members and officers in relation to ethical standards in public life.

The report provided background details relating to the Ethical Standards In Public Life etc. (Scotland) Act 2000 (the Act) which established a statutory regime for promoting and enforcing ethical standards in public life in Scotland. The Act and associated regulations applied to councils and councillors and to devolved public bodies and their members. They also imposed duties on designated officers of both types of body. The Board is a devolved public body (public body) for the purposes of the Act.

The statutory duties which applied to the IJB as a corporate body were outlined within the report. It was noted that the Board and its members and officers had already made significant progress towards meeting their statutory duties, however, some statutory duties still required to be met.

These duties could be met by taking steps such as:

- Making the code and the register publicly available with information to explain what they were for;
- Providing training to members about their duties;
- Reminding members periodically about what they should do to ensure they comply with the code in relation to the register;
- Reminding members about their duties about declaring interests;
- Informing and briefing members about developments as they happened, such as the production of new guidance or significant hearing decisions;
- Informing and briefing members periodically about the activities of the Commissioner and the Commission and the way the regime has been operating; and
- Making sure that members know where to go for advice.

The report went on to outline the steps which were proposed to ensure compliance with the statutory duties. The Standards Officer also advised that membership of the Board expired every three years and recommended that this be reviewed.

The adoption of sound and effective arrangements in relation to the ethical standards regime would form part of the Board's corporate governance arrangements. They would inform the annual governance statement to be approved and signed each year as part of the Board's annual accounts and financial statements.

The Committee considered the proposals outlined in paragraph 5.1 of the report.

It was recommended that the Committee:

1. Notes the statutory duties incumbent on the Board and its members and officers in relation to ethical standards in public life;
2. Agrees to recommend to the Board that a process and schedule be put in place to ensure compliance with those duties; and
3. Consider the proposals in paragraph 5.1 of the report for that purpose.

#### Decision

Agreed the terms of the report.

## 7. INTERNAL AUDIT INFORMATION SHARING ARRANGEMENTS

The Committee considered a report (copies of which had been circulated)

by the Internal Auditor providing details of the proposed arrangements for sharing internal audit reports between NHS Lothian and the four Lothian IJB's.

The report recalled that the Internal Auditors for the four Lothian IJB's and NHS Lothian meet on a regular basis to discuss common issues and collaboration in relation to the provision of internal audit services for the Lothian IJB's. At the last meeting in October it was agreed that permission would be sought for the formal referral of internal audit reports between the parties. This involved the referral of internal audit reports from NHS Lothian to the four Lothian IJB's and also referral of internal audit reports between the four Lothian IJB's themselves.

It was noted that it was the intention that all internal audit reports for the West Lothian IJB would be in the public domain via the IJB Audit, Risk and Governance Committee papers on the internet. In the event that it was considered necessary to redact a report for the Committee, then the redacted version would be provided. In the event that it was necessary to take a report in private, the advice of the Standards Officer would be sought before releasing the report.

Permission was sought from the Committee to refer all internal audit reports produced for the West Lothian IJB to the internal auditors for the Edinburgh, Midlothian and East Lothian IJB's, subject to the constraints outlined.

The Internal Auditor then responded to questions from members of the Committee. The Committee then recommended that the Internal Auditor establishes a protocol to be used to decide what audit reports received from other Lothian IJB's should be shared with West Lothian IJB.

It was recommended that the Committee approves the proposed arrangements for sharing West Lothian IJB internal audit reports with the internal auditors of the other Lothian IJB's.

#### Decision

1. Approved the terms of the report; and
2. Agreed that the Internal Auditor would establish a protocol to be used to decide what audit reports received from other Lothian IJB's should be shared with West Lothian IJB.

#### 8. INTERNAL AUDIT CHARTER

The Committee considered a report (copies of which had been circulated) by the Internal Auditor providing details of the IJB Internal Audit Charter, which was attached as an appendix to the report.

The report explained that the Public Sector Internal Audit Standards (PSIAS) was a mandatory set of standards applying to internal audit service providers in the public sector. The PSIAS requires that the purpose, authority and responsibility of internal audit were formally

defined in an internal audit charter.

The IJB Internal Audit Charter covered matters such as internal audit's purpose, scope, responsibilities, objectives, organisational status, independence and authority. The Charter also covered arrangements for managing conflicts of interest. It also clearly set out the arrangements for securing internal audit's independence and set out the right of internal audit staff to receive documents, information and explanations from officers and members of the IJB.

The Internal Audit Charter therefore acted as a framework for the provision of an effective internal audit service.

The Internal Auditor then responded to questions from members of the Committee advising that an annual risk based internal audit plan would be submitted to the Committee and reports on performance in completing the plan.

It was recommended that the Committee approve the Internal Audit Charter.

#### Decision

Approved the terms of the report.

### 9. AUDIT SCOTLAND REPORT - SOCIAL WORK IN SCOTLAND

The Committee considered a report (copies of which had been circulated) by the Head of Social Policy providing details of the Audit Scotland report on the national audit of social work published in September 2016, which was attached as an appendix to the report.

The audit was carried out to examine how effectively councils were planning to address financial and demographic pressures facing social work in Scotland. A number of key challenges were identified details of which were outlined in the report.

Thirteen recommendations for councils and IJBs were summarised in the report which covered social work strategy and service planning, governance and scrutiny arrangements, workforce and service efficiency and effectiveness.

The Head of Social Policy advised that whilst West Lothian was significantly affected by financial and demographic challenges, the council benefitted from its long-term financial management strategy. West Lothian IJB adopted a robust strategic commissioning approach which incorporated a number of key service redesign programmes aimed at transforming the way the council delivers services across whole systems. The IJB was also developing new approaches aimed at increasing community capacity.

The Committee was also advised that the role of the CSWO was well defined and supported in West Lothian and was linked effectively into

council and partnership governance arrangements.

The report highlighted the need for transformative measures to be developed and implemented to address the challenges and complexities ahead for social work and social care in Scotland. The Audit Scotland report was well received by the CSWO network, Social Work Scotland and the Office of the Chief Social Work Advisor, however it has been acknowledged that the recommendations would be extremely challenging to achieve both locally and nationally.

The Head of Social Policy then responded to questions from members of the Committee. During the course of the discussion the Chair highlighted that seven of the thirteen key recommendations were allocated to the IJB. He recommended that a schedule be put in place to map the work being carried out relating to the IJB.

It was recommended that the Committee notes the key messages contained in the report with respect to the challenges ahead and note the recommendations made by Audit Scotland.

#### Decision

1. Noted the contents of the report and the recommendations made by Audit Scotland; and
2. Noted the recommendation that a schedule be put in place to map the work being carried out relating to the seven key recommendations allocated to the IJB.

#### 10. TIMETABLE OF MEETINGS 2017/18

The Committee considered the timetable of meeting for 2017/2018 (copies of which had been circulated).

The Committee agreed the timetable of meetings for 2017/2018. It was also agreed that the meeting scheduled to be held in March 2017 be held at West Lothian Civic Centre and future meetings be held at Strathbrock Partnership Centre.

#### Decision

Agreed the timetable of meetings and the venue for future meetings.

#### 11. WORKPLAN

The Committee noted the contents of the workplan (copies of which had been circulated).

The workplan was agreed, subject to including the following items:

- Audit of IJB Self-Assessment – report to be submitted to the meeting on 27 September 2017; and

- Report on Children's Inspection – date of submission to be confirmed.

The Committee noted that reports would be included in the workplan subject to the review of the annual accounts by the auditors.

Decision

Agreed the workplan subject to including the items outlined above.