



**CÙRAM IS SLÀINTE NAN EILEAN SIAR  
WESTERN ISLES INTEGRATION JOINT BOARD**

**INTEGRATION JOINT BOARD  
AUDIT COMMITTEE**

Minute of the meeting of the Western Isles Integration Joint Board Audit Committee  
held on Wednesday 4<sup>th</sup> September 2019 at 2.30pm,  
Meeting Room 2, Health Board Office, Stornoway

**Members:**

Mrs. Gillian McCannon	Non-Executive Director, NHS Western Isles
Cllr. Angus Morrison	CnES Councillor (Vice Chair) (Meeting Chair)

**In Attendance:**

Ms. Debbie Bozkurt	Chief Finance Officer, IJB
Dr. Ron Culley	Chief Officer, Health and Social Care
Mr. David Jamieson	Senior Auditor, Audit Scotland
Mr. Paul MacAskill	Chief Internal Auditor, CnES
Mr. Robert MacAskill	Internal Auditor, CnES
Ms. Rachael McCulloch	Professional Trainee, Audit Scotland
Mr. Norman MacDonald	Head of Accountancy and Exchequer Services, CnES
Mrs. Michelle McPhail	Business Manager, NHS Western Isles

**1. WELCOME**

The Chairman welcomed all those attending the meeting. He acknowledged the attendance of colleagues from Audit Scotland.

**2. APOLOGIES FOR ABSENCE**

Mr. Hector MacLeod	Chief Executive of 3rd Sector
Mr. Robert Emmott	Director of Finance, CnES
Mr. Angus M Murray	CnES – Union Representative
Cllr. Paul Steele	CnES Councillor (VC arranged but technology could not link)

**3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**4. MINUTES**

**4.1 IJB Audit Committee Minutes of 06.02.19**

It was formally noted that the meeting of 13.06.19 was cancelled.

The Minute of the Integration Joint Board Audit Committee held on the 6<sup>th</sup> February 2019 was approved as an accurate record of the discussion.

**Decision: The Committee formally approved the Minutes.**

## 4.2 Matters Arising

No items were raised.

## 4.3 Action Points

The Chair indicated that all the actions had either been completed or on the agenda for discussion. All actions should to be removed and noted as completed on the list.

**Decision: All Items completed**

**Action: Remove all actions from the Action Points**

## 5. AUDIT AND FINANCIAL GOVERNANCE

### 5.1 Internal Audit Reports

#### 5.1.1 Internal Audit Progress 2019/20

Mr. Paul MacAskill, Chief Internal Auditor, presented the Report to the Committee to formally note the audit progress for 2019/20.

Mr. MacAskill drew colleagues' attention to the report highlighting the following points:

- Section 301 – noting that the three areas of review, Risk Management; Financial Planning, Management and Savings and Business Continuity Planning and Disaster Recovery will be reported to the December 2019 Committee meeting.
- Noted within the conclusion section of the report, Mr. MacAskill provided assurance that the Internal Audit Team can provide the 20 day audit plan schedule within the current staff constraints within the Comhairle audit department.
- Appendix A –details the work to be undertaken in 2019/20 including annual and progress reporting.

The Chair referred to a template “reports outstanding” currently utilised within Council committees and seeking that this is adopted on the IJB Audit Committee agenda. Mrs. McPhail should liaise with Mr. MacAskill to obtain further detail.

The Chair thanked Mr. MacAskill and his team for their continued support.

**Decision: The Committee formally approved the report.**

**Action: 1. Three Audit Reports will be presented in Dec'19 . Paul MacAskill  
2. Adopt and implement “reports outstanding” on future IJB Audit Committee agendas. Michelle McPhail**

## 5.1.2 Internal Audit Annual Report & Assurance Statement 2018/19

The Chief Auditor, Mr. MacAskill provided detailed assurance of the internal audit report for 2018/19. He noted the following:

- The allocated 20 days were fully consumed and formal reports have been presented to the Committee on aspects of the audit schedule.
- The observations made as a result of comparing the system review over two years has resulted in scoring adjustments;
  - Governance – no change over the two years and reported as Satisfactory
  - Risk Management – changed from 17/18 to 18/19 reported now as Adequate. This is as a result of establishing a 3 year financial plan rather than the recommended 5 year planning process and internal management stability.
  - Internal controls – remained as Satisfactory over the two years.
- The Committee was advised to monitor closely the Boards ability to achieve financial balance given the level of challenges noted to date. Financial savings have been identified however where there is any significant risk of these not being achieved then immediate and alternative action will be required to be made either in identifying alternative savings, use of the balances and/or seeking further support from parent bodies.
- The level of vacancies, and some being held within key strategic/operational positions is cause for concern. The parent bodies are facing real challenge in attracting people to apply for vacancies and the ongoing discussions as to the increasing age of the population “v” the reduction in working age population continues.

Dr. Culley advised that operational restructuring has taken place within the Health& Social Care Partnership directorate, however one position has been filled, one is in the process of shortlisting and the other is out to advert.

Members deliberated the points of vacancies and how these may impact on the continuation of service delivery. The Chair requested that Dr. Culley provides the Committee with a follow-up report on vacancies, their location and risk assessment of non-appointment, which Dr. Culley agreed.

Mrs. McCannon enquired if work and understanding had been obtained in reviewing the level of finance and the links to workforce required to meet clinical needs has been worked for the next 5 – 10 years.

Dr. Culley indicated that this has not been specifically worked on, however the triangulation between finance, workforce and clinical need is continuously being discussed. He indicated that Scotland’s IJBs need required to make a substantial financial saving which is a real challenge given the needs of patients/clients and the

level of vacancies being held currently, which does enable a level of flexibility in redesigning services.

Dr. Culley advised that by the end the year he would have a Strategic Objective refresh, taking into consideration the Audit Scotland recommendations and present this to the Committee in December for discussion.

The Chair requested that the Risk Register is presented at all Committee meetings with detailed narrative to expand on the actions being taken to mitigate each risk. This was agreed.

Ms. Bozkurt noted that within the NHS Healthcare Governance & Audit Committee emerging risks are discussed. This enables the Committee to be fully aware of what could potentially impact on the Board and have the ability to have early intervention to mitigate where possible. The Chair asked that the approach is adopted by this Committee.

The Chair specifically requested that should any aspect of a risk increase to an urgent level that the Committee is informed at the earliest opportunity, regardless if a meeting is scheduled or not – via telephone, email or the request to hold a special meeting. Dr. Culley and Ms. Bozkurt agreed.

The Chair thanked Mr. MacAskill and his team as well as Audit Scotland colleagues for their continued support and advice.

**Decision:** The Committee noted the report which provided assurance.

- Action:**
1. Refresh of Strategic Objectives reported in Dec'19. Ron Culley
  2. Risk Register to be included on each agenda with detailed narrative. Ron Culley
  3. Vacancy follow-up report noting situation and associated risk of not appointing to the posts. Ron Culley
  4. Emerging risks to be noted and discussed at each committee Ron Culley & Debbie Bozkurt
  5. Increase in risk levels should be reported to the Committee at the earliest opportunity via telephone, email or requesting a special meeting. Ron Culley

## 5.2 Chief Financial Officers Assurance Statement 2019/20 Month 4

Ms. Bozkurt provided colleagues with a verbal update on the financial position. She apologised for the lack of a paper report, however this was due to annual leave. She advised that at Month 4 she is anticipating a year end overspend of £314k, which should be contained within the contingency allocation. The overspend is within the NHS and is attributed to consultant and specialist doctor costs. The home care is underspent by £350k and she is forecasting a £137 underspend on residential care. Ms. Bozkurt noted that adult mental health placement continues to be overspent regardless of the increase year on year in the budget. However she advised that this is due to the numbers within CAMHS moving into adult mental health.

Members discussed the pathway of patients moving through the system and how professionals use the tertiary facility. It was noted that change is required in the professional assessment of patients by AHPs and Social Care. It was noted that the level of need, by the majority of patients admitted, should not change at the point of discharge and we may be over supporting patients and therefore increasing their need at the detriment of their independence.

Ms. Bozkurt advised that as part of her role within the NHS she is the Counter Fraud Liaison Officer. She intends to discuss fraud with each department in NHS Western Isles ensuring that they are fully aware of what fraud is, considering that 38% of fraud in Scotland is carried out by staff. This could be theft of equipment, theft of money from patients, stealing medication, falsifying invoices or receipts, staff off sick but working elsewhere. The aspect of proactive awareness raising may help in addressing fraud and impact on the Board costs. Fraud can be identified either by whistleblowing, through audit or by pure chance.

Mr. Jamieson, Senior Auditor, referred to the Audit Scotland report which denotes and provides assurance to the Committee and the Board has appropriate processes are in place across both parent bodies in relation to fraud.

The Chair requested that an assurance report is produced between Ms. Bozkurt and Mr. MacAskill noting the level of current fraud cases and what actions would be taken to mitigate future fraud. Ms. Bozkurt and Mr. MacAskill agreed to address this for the next meeting.

The Chair thanked Ms. Bozkurt for the report.

**Decision:** The Committee formally noted the verbal update.

**Action:** 1. Provide a CFS assurance joint report in Dec'19.

**Debbie Bozkurt  
& Paul MacAskill**

### **5.3 IJB Annual Accounts 2018/19**

#### **5.3.1 Independent Auditor's Report & Letter of Representation ISA580**

Ms. Bozkurt, Chief Financial Officer presented Members with the Annual Accounts for 2018/19. She expressed her thanks to Norman MacDonald, CnES Chief Accountant for his support while she was off for a period of sickness as well as noting the support from Audit Scotland.

The report advises that the IJB reported an overspend of £214k which is offset by reserves. The reserves available in 2019/20 was detailed as Specific Reserves £3,454k, General Reserves £1,500k and Earmarked Reserves as £886k. Ms. Bozkurt gave her best assumption that the level of reserves available should enable the IJB to break even within 2019/20 subject to monthly scrutiny and appropriate action. Ms. Bozkurt advised that at Month 6 she will be assessing the 3 year financial planning process making projections and assumptions on future expenditure and need.

It was noted that the Annual Accounts will be presented to the IJB at the end of September for formal approval and signature. Mrs. McPhail will address the signature requirements of the Annual Accounts and the letter of representation and forward these onto Rachael McCulloch in Audit Scotland.

The Chair thanked Ms. Bozkurt for the report and her continued support.

**Decision: The Committee formally approved the Annual Accounts.**

**Action: 1. Present the Annual Account to the IJB for approval and sign-off**

**Debbie Bozkurt**

**2. Signed Annual Accounts to forwarded to Rachael McCulloch  
after the IJB meeting on the 26.09.19.**

**Michelle McPhail**

#### **5.4 Audit Scotland Western Isles Audit Report 2018/19**

Mr. Jamieson, Senior Auditor of Audit Scotland, the IJBs appointed external auditor, presented the Annual Audit report on the Western Isles IJB. Mr. Jamieson drew colleagues' attention to the report specifically notifying them of the Key Message section of the report. He confirmed that the Annual Accounts and audit opinions on the annual report are all unqualified.

The financial management and sustainability arrangements were discussed noting the overspend, the funding gap in 2019/20 and the high risk associated with non-recurrent plans to achieve the savings. It was recommended that the medium term financial plan in place be replaced with a longer plan (5 year) be developed.

Mr. Jamieson spoke about the governance, transparency and value for money section of the report. It was noted that the Strategic Plan had been refreshed but advised that this should be reviewed as some aspects of deliverables were confusing. Mr. Jamieson commented upon the lack of the shift in community reinvestment from



acute care to community care, and this should be assessed in more depth – investment “v” disinvestment due to redesign.

Mr. Jamieson reflected upon the parent bodies’ issues around recruitment and retention and the impact this has on the strategic delivery, performance and the challenges the IJB faces. It was noted specifically the continued issue of delayed discharges.

In conclusion of the review Audit Scotland made 3 recommendations that the IJB should take cognisance of – the need for long term financial planning; updating and maintaining the Register of Interests and Strategic Planning.

The Chair referred to the Register of Interest. Mrs. McPhail indicated that regardless of numerous requests to members to submit their register of interest not all have been received. It is the intention to advise members of their responsibilities and the need to complete the request as the IJB is an independent organisation and therefore must maintain its own register. New requests will be submitted for each member to make a new submission and a new register will be completed by December 2019. The Chair commented that perhaps some members think that their register within their parent body is sufficient.

The Chair thanked Mr. Jamieson and Ms. McCulloch for the report and their continued support to the IJB. It was noted that as Audit Scotland are the appointed external auditor across all three organisation, scrutiny and knowledge obtained is greater to support a level of assurance across all agencies.

**Decision: The Committee formally noted the report for assurance.**

**Action: Register of Interests to be raised with Members and completed by Dec’19. Michelle McPhail**

## **6. PERFORMANCE**

### **6.1 Integration Performance Indicators**

Dr. Culley presented the report to colleagues advising that the Performance Indicators at section 2 are merely a snap shot in time of the position and variations do arise. He recommended that colleagues review the trend data for each target.

Mrs. McCannon raised the need to have further narrative to expand on the detail and provide a greater understanding of the position. Dr. Culley noted that he would address this.

During the discussion under End of Life Care, Dr. Culley advised that the majority of people wish to stay at home for as long as possible. Members discussed the provision of hospice support and the contractual arrangements currently under review. Members were reassured that hospice provision would be provided and financially supported were possible by either the existing provider or by other means and patients would not be affected in obtaining care at this important point in their life.

Members considered the report, being advised of the challenges in meeting the delayed discharges target as levels continue to be high. Dr. Culley noted that he will be reviewing the level of activity and processes within NHS Orkney and Shetland, making comparison with our service. Mr. Jamieson reflected upon the challenges facing the Board and advised that Audit Scotland have carried out a number of audits on delayed discharges across numerous IJBs and would be willing to share the outcomes of the reviews. Dr. Culley welcomed this support.

Mr. Jamieson suggested that Audit Scotland could undertake a review of the IJBs delayed discharges and this would be incorporated within the existing audit arrangements for 19/20. Colleagues thanked him for this level of support and accepted the additional audit.

The Chair thanked everyone for their input into this discussion and the continued support of Audit Scotland.

**Decision:** The Committee formally noted the report.

**Action:** 1. Audit Scotland to share other IJB reviews of Delayed Discharge with Dr. Culley. David Jamieson  
2. Audit Scotland will undertake a review of delayed discharges within the existing arrangements of the audit plan for 19/20. David Jamieson

## **7. DATE & TIME OF NEXT MEETING**

It was agreed that an alternative date for December 2019 was required as this clashed with the NHS Healthcare Governance & Audit Committee.

Mrs. McPhail would identify a more suitable date as well as producing the IJB Timetable for 2020

**Decision:** Identify an alternative meeting date for Dec'19

**Action:** Review dates for the IJB for Dec'19 as well as 2020 Michelle McPhail

The meeting came to a close at 4.15pm, the Chair thanking everyone for their contribution to the discussion.