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Agenda Item.

## **Orkney Integration Joint Board – Audit Committee**

Tuesday, 5 September 2017, 12:00.

Council Chamber, Council Offices, School Place, Kirkwall.

### **Minute**

#### **Present:**

- Rognvald Johnson, NHS Orkney.
- Councillor John T Richards, Orkney Islands Council.
- Councillor Stephen Sankey, Orkney Islands Council.
- Scott Hunter, Chief Social Work Officer, Orkney Islands Council.
- Frances Troup, Head of Housing, Homelessness and Schoolcare Accommodation Services, Orkney Islands Council.

#### **Clerk:**

- Hazel Flett, Senior Committees Officer, Orkney Islands Council.

#### **In Attendance:**

- Neil Reid, Senior Auditor, Audit Scotland.
- Pat Robinson, Chief Finance Officer, Orkney Health and Care.
- Caroline Sinclair, Chief Officer, Orkney Health and Care.
- Olwen Sinclair, Chief Internal Auditor, Orkney Islands Council.
- Karen Bevilacqua, Solicitor, Orkney Islands Council.

#### **Chair:**

- Hazel Flett, Senior Committees Officer, Orkney Islands Council (for Items 1 and 2).
- Councillor Stephen Sankey, Orkney Islands Council (for Items 3 to 9).

## **1. Apologies**

Apologies for absence were intimated on behalf of:

- David Drever, NHS Orkney.
- Hazel Robertson, Director of Finance, NHS Orkney.
- Gareth Waterson, Head of Finance, Orkney Islands Council.

## **2. Appointment of Chair**

The Clerk called for nominations for Chair, and the Committee **resolved** that Councillor Stephen Sankey be appointed Chair of the Integration Joint Board Audit Committee.

Councillor Stephen Sankey took the Chair.

## **3. Declarations of Interest**

No declarations of interest were intimated in respect of items of business to be discussed at this meeting.

## **4. Minute of Previous Meeting**

There had been previously circulated the Minute of the Meeting of the Integration Joint Board Audit Committee held on 10 March 2017. The Minute was **approved** as a true record, on the motion of Councillor John T Richards, seconded by Frances Troup, subject to the following amendment:

Frances Troup's job title amended to read Head of Housing, Homelessness and Schoolcare Accommodation Services.

## **5. Matters Arising**

There were no matters arising from the Minute of the Meeting of the Integration Joint Board Audit Committee held on 10 March 2017.

## **6. Internal Audit Annual Report and Assurance Statement**

There had been previously circulated a report setting out the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of the Integration Joint Board's internal control framework for financial year 2016 to 2017.

Olwen Sinclair outlined her appointment as internal auditor for the Integration Joint Board and confirmed that part of the duties of the internal auditor was to provide assurance. The main activity undertaken was a review of the governance. Following an initial internal audit report issued in May 2016, a follow up audit was completed which indicated that 10 of the 11 recommendations previously made had been addressed. There remained one high priority recommendation, namely the production of a Financial Recovery Plan.

Overall, whilst Internal Audit confirmed that, during 2016 to 2017, good governance arrangements had been established, it would take time for these to be fully embedded. The governance arrangements in place should continue to be monitored, taking account of any further guidance issued by the Scottish Government or benchmarking information obtained from other integration joint boards. This would

allow the opportunity to continue to enhance and strengthen governance, risk management and internal controls and ensure that those arrangements remained fit for purpose.

In response to a question from Rognvald Johnson regarding self-assessment, Olwen Sinclair confirmed that, although there was no prescribed timetable for self-assessment, as external audit regularly assessed the work of internal audit, she would undertake self-assessment ahead of that to ensure adequate preparation.

The Audit Committee **noted** the Internal Audit Annual Report and Assurance Statement for 2016 to 2017, attached as Appendix 1 to the report circulated.

## **7. Draft Annual Accounts for year ended 31 March 2017**

There had been previously circulated the Integration Joint Board's draft Annual Accounts for the year ended 31 March 2017.

Pat Robinson highlighted the main sections within the draft Annual Accounts, including the management commentary, the main service pressures, the significant challenges going ahead and the highest key risks for the Integration Joint Board.

Neil Reid confirmed that the audit was substantially complete and that external audit would be presenting the ISO 260 report when the final accounts were submitted at the end of the month. Working with Pat Robinson, the external auditors had reviewed numerous other integration joint boards' draft accounts to discover they were all different, mainly as a result of what was included in the Integration Schemes.

Councillor John T Richards commented that there was nothing alarming within the draft accounts which should mean a straightforward presentation when the final accounts were presented at the end of the month.

Rognvald Johnson thanked Pat Robinson for all her work, as it was not easy formulating annual accounts for a new organisation and recognised the support provided by Audit Scotland.

Councillor Stephen Sankey echoed Rognvald Johnson's comments and undertook to discuss with Caroline Sinclair the possibility of including health and social care issues as part of the representations in respect of the proposed Islands Bill.

The Audit Committee thanked Pat Robinson and her team for all their work in producing the first full set of annual accounts and thereafter **noted**:

7.1. That, as Integration Joint Boards were specified in legislation as section 106 bodies in terms of the Local Government (Scotland) Act 1973, they were expected to prepare their financial statements in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.

7.2. The Management Commentary, comprising pages 4 to 10 of the draft annual accounts, attached as Appendix 1 to the report circulated, which provided an overview of the most significant matters reported in the annual accounts for financial year ended 31 March 2017.

The Audit Committee **approved**:

7.3. The draft annual accounts for financial year ended 31 March 2017, attached as Appendix 1 to the report circulated.

## **8. Clinical Governance – Delayed Discharge**

There had been previously circulated a report highlighting a key agenda item discussed at NHS Orkney's Audit Committee held on 14 March 2017.

Caroline Sinclair advised that Scott-Moncrieff, NHS Orkney's internal auditors, had reviewed delayed discharges within NHS Orkney, focussing on the two wards within the Balfour Hospital. Although there were various aspects of good practice, the internal audit had resulted in an action plan. However, none of the actions were high priority.

When the audit report was considered by NHS Orkney's Audit Committee, that Committee recommended that it be referred to the Clinical and Care Governance Committee and the Integration Joint Board Audit Committee, highlighting in particular the following recommendation:

“In addition to the recommendations made in this report we consider it beneficial for the Integrated Joint Board to commission a similar review on the processes in place within other commissioned services, which would be primarily, but not exclusively, Orkney Islands Council. This would ensure that commissioned services are working together to deliver the best possible outcome for the residents of Orkney and provide assurance of effective integration between socialcare, continuing NHS care and care management arrangements.”

Caroline Sinclair advised that, given the level of integration already in place, the Council's processes were effectively already regularly reviewed.

Councillor Stephen Sankey queried whether the reasons for delayed discharge locally were similar to those experienced elsewhere in Scotland. Caroline Sinclair advised that the two main reasons for delayed discharge were lack of a residential care place and/or inadequate care at home packages, which were similar issues across Scotland. Locally, however, the Council now had two capital projects being progressed, namely the new care facilities in Stromness and Kirkwall, which would help in alleviating waiting times for a residential care place. Also, as part of its budget setting process for the current financial year, the Council had increased the baseline budget for Care at Home services and work was currently progressing to increase staff teams. Caroline Sinclair confirmed that no one had their discharge delayed because agencies were unaware that a care package was required.

Frances Troup advised that, in some cases, discharge was dependent on suitable housing and noted in the action plan that the Discharge Policy was to be or had been updated. She pressed that Housing Services be involved in any future policy update.

Councillor John T Richards asked whether information was gathered at admission, so that any work required to the individual's property could be co-ordinated and undertaken, prior to their discharge, and what EDD stood for.

Caroline Sinclair advised that EDD was estimated date of discharge. It was expected that discussions took place at a very early stage. By not setting an estimated date of discharge, it should not be assumed that assessments were not taking place. From experience, it was not housing that was considered the main issue to delayed discharge, rather the lack of a residential care place or time to arrange a care at home package.

All discharges delayed beyond the target were reported to the Scottish Government, with the reason for delay. These statistics were not reported to the Integration Joint Board due to the small numbers and therefore the potential to identify individuals. However, Caroline Sinclair undertook to investigate whether some or all of the information could be made available in some format.

In response to a query from Rognvald Johnson, Olwen Sinclair confirmed that, as it appeared that processes were being reviewed in any case, Internal Audit would not undertake any follow-up work on the audit recommendations.

The Audit Committee **noted** the position.

## **9. Date of Next Meeting**

The next meeting was scheduled for Wednesday, 27 September 2017 at 14:00 in the Council Chamber, Council Offices, Kirkwall.

## **10. Conclusion of Meeting**

There being no further business, the Chair declared the meeting concluded at 12:25.

Signed: S Sankey.