

# ANNUAL ACCOUNTS 2018/19 STANDING COMMITTEE ASSURANCE STATEMENT



## OVERVIEW

As part of the Integration Joint Board Annual Accounts process we are required to produce an Annual Report. To produce this report the Chief Officer requires a number of internal assurances around the adequacy and effectiveness of the standing governance committees.

A Report is required from all standing governance committees of the IJB confirming whether they have fulfilled their remits and, based on assurances received, that there are adequate and effective governance arrangements in place.

The Integration Joint Board Standing Committees for 2018/19 have been confirmed with the Chief Officer as:

- Audit & Risk Committee
- Clinical & Care Governance Committee
- Performance & Finance Committee

## WHO IS REQUIRED TO INPUT

As a Lead Director for a Committee you are required to provide an accurate reflection of the Committee for which you support. The Chair of the Committee will also be required to provide comments and sign this off as a true and fair reflection of the work of the Committee.

Committee	Lead Officer	Chair
Audit & Risk Committee	Katy Lewis	Ian Carruthers
Clinical & Care Governance Committee	Eddie Docherty / Lillian Cringles	Grace Cardozo
Performance & Finance Committee	Katy Lewis	Penny Halliday

# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



STANDING COMMITTEE ASSURANCE STATEMENT			
Please ensure the information below is accurate and reflects the business discussed. On submission this template will be forwarded to the Chair to sign off an Assurance Statement for the Committee.			
COMMITTEE NAME	Audit & Risk Committee		
The purpose of the Audit and Risk Committee is to appoint an internal auditor, to review the effectiveness of the framework of governance, risk management and internal control. To review the internal and external audit reports and receive assurance that agreed recommendations have timeously and effectively implemented. Consider the unaudited accounts and governance statement, to develop a risk management strategy and to monitor implementation of improvement plans.			
FREQUENCY OF MEETINGS	Quarterly		
NUMBER OF MEETINGS HELD (1 April 2018 – 31 March 2019)	4		
CHAIR	Ian Carruthers		
LEAD DIRECTOR	Katy Lewis		
MEMBERSHIP	Laura Douglas Vice Chair Lorna Carr Voting Member (from December 2017 – 31 <sup>st</sup> October 2018) Jane Maitland Voting Member Ann Farrell Local Authority Staff Side Representative		
IN ATTENDANCE	Julie White Chief Officer Penny Halliday Chair of Integration Joint Board Representative from External Auditors Julie Watters Internal Auditor Any other Voting Members if available Maureen Stevenson		
QUORACY OF MEETING	Audit and Risk Committee is quorate with half of all voting members = 2		
DETAILS OF ATTENDANCE (Members only)	MEETING	ATTENDED	APOLOGIES
	21/06/18	Ian Carruthers Laura Douglas Ann Farrell Katy Lewis Jane Maitland	Lorna Carr
	11/09/18	Ian Carruthers Laura Douglas Lorna Carr	

# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



		Ann Farrell Katy Lewis Jane Maitland	
	17/12/18	Ian Carruthers Laura Douglas Katy Lewis Jane Maitland	Ann Farrell
	11/03/19	Ian Carruthers Laura Douglas Katy Lewis Jane Maitland	Julie White
CONFIRMATION THAT ALL MINUTES OF THE MEETING WERE SUBMITTED TO INTEGRATION JOINT BOARD	<ul style="list-style-type: none"> <li>• Minutes of 21/06/18 did not go to the Integration Joint Board</li> <li>• Minutes of 11/09/18 were submitted to the Integration Joint Board on the 27/09/18</li> <li>• Minutes of the 17/12/18 were submitted to the Integration Joint Board on the 30/01/19</li> <li>• Minutes of the 11/03/19 did not go to the Integration Joint Board</li> </ul>		

### COMMENTS FROM COMMITTEE CHAIR

### DECLARATION

I confirm that, based on the assurances received within this report and the conduct during the meetings, that the Committee has fulfilled its remit and that adequate and effective governance arrangements are in place to provide a good level of assurance on this to the Integration Joint Board and specifically to the Accountable Officer.

Signed & Dated Lead Officer		
Signed & Dated Chair		

# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



APPROVALS BY COMMITTEE			
Please provide details of what decisions the committee approved during the Financial Year 2018/19			
Title of Report presented for approval	Detail of what approved	Date of Meeting report presented	Outcome of report
Minutes of the Previous Meeting	These were approved as an accurate record of the Committee.	21/06/18	
Review of Financial Regulations	<p>Approved the updated financial regulations for the Integration Joint Board which is included as an Appendix to this paper.</p> <p>Noted that there is further work to be undertaken regarding a review of the financial regulations guidance by the Chief Finance Officer following the wider review.</p>	21/06/18	<p>KL has undertaken a review of regulations to see if there have been any further changes. There is a slight change to reserves policy in 4.7 which reflects the way reserves have been managed.</p> <p>A wider piece of work is underway to review IJB Governance arrangements, and this document will be further reviewed as part of this process</p>
External Audit Progress Update	<p>Noted the 'Public Sector Audit in Scotland Supplementary Transparency Report'. External Audit prepared this report for Audit Scotland in January 2018.</p> <p>Noted the arrangements for the IJB external audit for 2017/18.</p>	21/06/18	KL met with the External Auditors to clarify timing of the IJB audit process. The auditors have completed the audit of NHS Dumfries and Galloway and will be starting audit work with Council in July. The IJB audit is due to be completed during July.
Internal Audit Update	Noted the contents of this report which summarises the work undertaken by Internal Audit during 2017/18 and provides an opinion on the internal control environment within the Integration Joint Board at this point in time.	21/06/18	JM queried how we share information with our partners. JW gave an overview of this and KL gave an update and advised that Graham Gault will be providing an update to the IJB on information sharing.

# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



Title of Report presented for approval	Detail of what approved	Date of Meeting report presented	Outcome of report
Risk Update Report	<p>Noted the progress in implementing IJB Risk Management Strategy.</p> <p>Noted the NHS Dumfries and Galloway Annual Report for 2017/18</p>	21/06/18	Members asked MS to confirm whether there was an annual risk report for the Council.
Quarterly Update Report from Chief Finance Officer	Scrutinised and reviewed the Chief Finance Office Quarterly Report and the updates provided.	21/06/18	
IJB Draft Governance Statement and Assurance Processes	Scrutinised the reviewed the IJB Audit and Risk Committee Draft Governance Statement and Assurance Processes for 2017/18.	21/06/18	This work will be undertaken over the next 2/3 weeks with ST due to meet JW on 13th July to undertake a review of the government statement in the revised draft.
Draft Annual Report and Accounts 2017/18	Approved the Integration Joint Board's unaudited Annual Accounts for the Financial year ended 31 <sup>st</sup> March 2018 which will be submitted to the external auditors for review and is subject to public consultation.	21/06/18	<p>The final audit version of the accounts will be presented to members at the September committee.</p> <p>There were a couple of minor errors noted in the accounts relating to the dates for IJB members and these will be corrected in the draft version which will be circulated for consultation.</p>
Minutes of the Meeting of the 21/06/18	These were approved as an accurate record of the Committee.	11/09/18	
Final Integration Joint Board Governance Statement	Scrutinised and Reviewed the Final IJB Governance Statement and Assurance Processes for 2017/18.	11/09/18	KL confirmed the best value update will be brought back in a workshop form at a future meeting.

# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



Title of Report presented for approval	Detail of what approved	Date of Meeting report presented	Outcome of report
External Audit Annual Report to those Charged with Governance and the Auditor General in Scotland	Scrutinised and reviewed the attached report for Dumfries and Galloway Integration Joint Board / External Audit Annual Report to those charged with Governance and the Controller of Audit, 2017/18 financial year.	11/09/18	KL will draft a management response to the action in this report, JWa to draft KL a response for this.
Internal Audit Annual Report	<p>Noted the contents of this report which summarises the work undertaken by Internal Audit during 2017/18 and provides the Chief Internal Auditor's opinion on the internal control environment within the Integration Joint Board for the financial year 2017/18.</p> <p>Agreed that the Audit and Risk Committee monitor progress against closure of these actions moving forward.</p>	11/09/18	<p>Audits within the NHS have been detailed that are relevant for the IJB. Two Audits have formally been closed off and seven are still outstanding, Corporate Risk Register is a concern and is required to be finalised.</p> <p>KL mentioned that this Committee has responsibility to provide assurance for the IJB to ensure all actions are taken on board and implemented. . Published report will be issued at the next Audit and Risk Committee in December 2018.</p>
Risk Management Quarterly Progress Report	<p>Noted the progress in implementing IJB Risk Management Strategy.</p> <p>Noted the assurances that have been given and an update will be given at the next meeting in December.</p>	11/09/18	<p>A conversation will be had with KL and Julie White to confirm a full updated report is required urgently.</p> <p>LD has asked for an update by the next meeting to ensure that this is progressing forward</p>
Annual Reports and Accounts 2017/18	Approved the Integrated Joint Board's audited Annual Accounts for the financial year ended 31 <sup>st</sup> March 2018 which will be submitted to the Integration Joint Board at its meeting on 27 <sup>th</sup> September for final approval.	11/09/18	Final version of the Annual Accounts and External Audit Report will be taken to the September IJB. JB highlighted to the committee that there have been no particular

# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



Title of Report presented for approval	Detail of what approved	Date of Meeting report presented	Outcome of report
			concerns in terms of the Audit
Information Sharing Update	<p>Noted the progress being made to support the Inter Agency sharing of data.</p> <p>Agreed for a report to come back to the first 2019 meeting.</p>	11/09/18	IC has asked for this report to come back once the Full Council have reviewed this and this will be monitored by KL, G Gault and N Gammage. NG confirmed he meets with HC on a weekly basis and the council.
Proposed Internal Audit Arrangements for 2018/19 Onwards	Supported the Chief Finance Officer decision to appoint the Chief Internal Auditor for the IJB and that a further report us to be brought back to the next IJB committee.	11/09/18	This is KL responsibility to make sure these arrangements happen. JWa mentioned having a more permanent arrangement will help her plan and undertake the work.
Minutes of the Previous Meeting 11/09/18	The Committee agreed these as an accurate record.	17/12/18	
Risk Strategy Update	<p>Noted progress in implementing IJB Risk Management Strategy</p> <p>Approved the IJB Risks identified and assessed for the IJB Risk Register</p>	17/12/18	<p>The issue of how risks are reflected in the issuing of directions need to be discussed with Julie White and KL will pick this up with her.</p> <p>JM feels that there should be a specific risk regarding the Information Sharing Update. This is being discussed at a Full Council meeting that will take place tomorrow. HG will circulate this Information Sharing paper.</p>
Draft Internal Audit Plan 2018/19	Approved the Internal Audit plan for 2018/19 and considered the process for receiving assurances on relevant audit work undertaken	17/12/18	There are currently 6 outstanding actions arising from the IJB Governance Internal Audit and KL will work with Alison Warrick

# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



Title of Report presented for approval	Detail of what approved	Date of Meeting report presented	Outcome of report
			<p>regarding providing a management update on progress to the next meeting.</p> <p>From 2019/20, it would be advantageous for the potential on at least one shared Audit between the NHS and Council to be carried out.</p> <p>IC will push to make sure that this process is in place with both the NHS and the Council Audit and Risk Committees.</p>
External Auditors Draft Audit Plan 201/19	Scrutinised and reviewed the attached draft External Audit Plan for Dumfries and Galloway Integration Joint Board during the 2018/19 Financial Year.	17/12/18	<p>JB advised that the fee letters were only sent out last week, therefore this is why the report is in draft form. No additional risks have been identified. The audit fee is the same for every IJB within Scotland.</p> <p>JB will submit the relevant information to Audit Scotland which they will then publish on their website.</p>
Chief Finance Officer Quarterly Update	Noted the Chief Finance Officer Quarterly Report and the updates provided	17/12/18	<p>KL referenced the external audit fee in this paper, but advised that this has since been confirmed by JB. The Scottish Government published their 3 year Financial Framework in October. The Draft Budget took place last week and confirmed additional resources for Social Care.</p>

# ANNUAL ACCOUNTS 2018/19 STANDING COMMITTEE ASSURANCE STATEMENT



Title of Report presented for approval	Detail of what approved	Date of Meeting report presented	Outcome of report
			KL to provide an update on the payment of living wage for sleeping night's wage that has been previously discussed at the IJB.
Audit Scotland Reports Update	<p>Noted the Audit Scotland Reports Register which will be presented to Audit and Risk Committee on a quarterly basis (Appendix 1)</p> <p>Noted the 3 reports included within the register this quarter (Appendix 2, 3, 4)</p>	17/12/18	KL provided an overview of the paper. It is the role of the Audit and Risk Committee to monitor these reports. KL has checked recent reports and three have a relevance to the IJB. An action plan will need to be developed regarding these reports. KL is in the process of inviting Claire Sweeney back to Dumfries and Galloway to discuss the Integration report. NHS Scotland provided a checklist which is an appendix to this report, it was confirm that Leigh Johnstone from Audit Scotland is also creating a similar checklist for the IJB.
Risk Strategy Update	<p>Noted progress in implementing IJB Risk Management Strategy and the planned update to the strategy.</p> <p>Noted the ongoing work to review the IJB Risk Register and alignment to the Audit Scotland self assessment work.</p> <p>Requested that a further report be brought to a future meeting with an updated Risk Strategy and an update on the DATIX data sharing issues.</p>	11/03/19	<p>HC informed members that she isn't aware of whether the Risk Systems work has been progressed with regards to the IT access issues. KL to bring back an update on the implementation of Risk Systems to the next meeting.</p> <p>LD requested that any outcomes from the Audit Scotland Workshop on 15 April be fed back to JW to inform the Audit Plan for the year. IJB Audit and Risk Committee agreed that a</p>

# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



Title of Report presented for approval	Detail of what approved	Date of Meeting report presented	Outcome of report
	<p>Agreed that a further discussion between Committee Members on the Committee Self Assessment and Risk Management Strategy to be arranged for May 2019.</p>		<p>session in early May 2019 should be organised to discuss this and the Committee Self Assessment. The Risk Officers from NHS D&amp;G and D&amp;G Council are to be invited to the next IJB Audit and Risk Committee in order to provide an update on the current arrangements for risk assessment in the parent bodies.</p>
<p>Improving Information / Data Sharing Update</p>	<p>Discussed and Noted the report presented to Dumfries and Galloway Council's Full Council meeting on 18<sup>th</sup> December 2018 (attached as Appendix)</p> <p>Discussed and Noted further progress as outlined from Paragraph 4.8</p> <p>Agreed that a further report on this subject to be brought back in 6 months time</p>	<p>11/03/19</p>	<p>LD queried whether this work would open up any vulnerability to cyber attack. GG stated that the firewalls for the security on NHS networks are still the same and have not been altered for this work. The Local Authority is altering their network security but it is assumed that their security protocols are still robust. HC highlighted that the data is not moving – each body is “viewing” the data held by the other via “read-only” access, therefore all data is held as securely as it was prior to the Data Sharing work beginning. IJB Audit and Risk Committee requested that GG update members with more detail on Network security issues</p>
<p>Chief Internal Auditor Quarterly Update</p>	<p>Noted and supported this update on progress against the Internal Audit plan for 2018/19 and early update on proposed audit resourcing for the 2019/20 audit plan.</p>	<p>11/03/19</p>	<p>Key Audits that will be reported back through IJB A&amp;R include:</p> <ul style="list-style-type: none"> <li>Delegated Authorities</li> </ul>

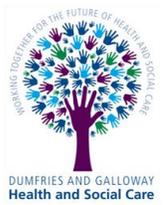
# ANNUAL ACCOUNTS 2018/19

## STANDING COMMITTEE ASSURANCE STATEMENT



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			<ul style="list-style-type: none"> <li>Governance and Reporting</li> </ul> <p>JW advised that planning is underway for the 2019/20 Audit Plan. JW requested that she be in attendance for the Risk Workshops for the IJB in order to include any outcomes into the 2019/20 Audit Plan.</p> <p>JW highlighted that the recruitment and retention issues have been picked up by the NHS and will feature in an Audit – should there be any Council input necessary on this subject, this will be reported through the IJB.</p>
Outstanding Audit Actions Update	Discussed and noted the Outstanding Audit Actions Update and the updates provided	11/03/19	<p>KL highlighted that she was asked to bring back an update on the outstanding audit actions for the IJB – these have been reduced to 2 outstanding actions, down from 6 as reported at the previous meeting.</p> <p>Members were informed that the Governance Arrangements Audit will be reported on at the IJB in April 2019. A deadline extension has been requested until the end of April 2019 to reflect this.</p>
Chief Finance Officer Quarterly Update	<p>Noted the Chief Finance Officer Quarterly Report and the updates provided.</p> <p>Approved the changes to the accounting policies as set out in paragraph 4.11</p>	11/03/19	<p>KL highlighted that the publication of the Code of Practice for Government Body accounting in the UK for 2018/19 has resulted in the application of two International</p>

**ANNUAL ACCOUNTS 2018/19  
STANDING COMMITTEE ASSURANCE STATEMENT**



Title of Report presented for approval	Detail of what approved	Date of Meeting report presented	Outcome of report
			<p>Financial Reporting Standards. These standards require a change in the IJB's accounting policies for 2018/19. The IJB Audit &amp; Risk Committee is asked to approve these changes.</p> <p>JM stated that Data Sharing is mentioned in the Audit Scotland advice appended to this paper – she believes that it is imperative that this Committee keeps up the monitoring on the Data Sharing work.</p> <p>Committee Members raised a query on IJB reserves that had been discussed at Full Council, there was mention that the IJB had reserves well in excess of the Local Authority and Health Board. KL advised Members that the IJB only held earmarked reserves. KL highlighted to Members that she had been invited to attend Social Work Committee to discuss IJB Finances.</p>