

2021/44

IJB Agile Governance Arrangements during COVID- 19

Internal Audit Report

March 2021

An **amber** report

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Distribution

Chief Officer South Ayrshire Health and Social Care Partnership

IJB Section 95 Officer

Senior Manager (Planning & Performance), HSCP

IJB Members

For information:

Chief Executive SAC

Chief Executive NHSAAA

SAC Members

Responsibilities

Internal Audit is an independent review activity. It is not an extension of, or a substitute for, management. Internal Audit is free from undue influence or other pressures affecting its independence and to that end:

- Internal Audit has a direct reporting line to the Depute Chief Executive/Director - People and to the Council's Audit and Governance Panel in its role as the Council's audit committee;
- the Chief Internal Auditor has unfettered access to the Chief Executive;
- the Chief Internal Auditor meets regularly with the Chairperson of the audit committee;
- the Chief Internal Auditor attends all audit committee meetings; and
- all audit reports are issued directly by, and in the name of, Internal Audit.

This report is written for the attention of management and has been prepared in accordance with the Internal Audit Charter which was approved by the Audit and Governance Panel 20 March 2019 and is available on the Council intranet.

Service Directors are responsible for ensuring that internal control arrangements are sufficient to address the risks facing their services.

Line management is responsible for maintaining internal control, including the maintenance of proper accounting records and other management information suitable for running the affairs of the Council.

Internal Audit will offer advice on, but cannot assume responsibility for, the implementation of recommendations.

Subsequent management assurances that internal audit recommendations have been implemented are taken to mean that suitable evidence is available to verify such assurances.

Internal auditors will comply with the Public Sector Internal Audit Standards.

Summary

Aims and Objectives

This audit assignment is included in the revised internal audit plan for South Ayrshire Integration Joint Board (IJB) for 2020/21. The aim of the audit is to review the IJB's governance approach to agile and remote working in light of COVID-19, and identify any potential areas for improvement going forward where such arrangements continue to be used in future.

Background

On 25 March 2020, the IJB approved the following delegated authority arrangements as a result of the COVID-19 pandemic:

The Integration Joint Board approved the delegated authority for the Chief Officer and S95 Officer to take decisions for the period of the COVID-19 Pandemic in respect of those matters that would normally require IJB Board approval, subject to consultation with the Chair and Vice Chair of the Board, and in addition where the matter relates to the NHS or the Council after consultation with the Chief Executives of the NHS and Council respectively as required and to report such decisions to the first available Board.

After a short period of disruption to meetings until the summer recess, all subsequent meetings of the IJB and the IJB Performance and Audit Committee (PAC) moved to teleconferencing using Microsoft Teams.

Audit Opinion

A **reasonable assurance** opinion can be given on the system of control. Key controls are not operating in all areas within the scope of the assignment. The level of risk that good governance is not maintained during remote working is **medium**.

Key Findings

During the course of the audit it was determined that the above delegated authority arrangements were not used in practice, as IJB meetings were primarily able to continue. Two meetings of the IJB were cancelled and one meeting of the PAC was cancelled prior to the summer recess of 2020. All other meetings have since continued as planned, albeit remotely. However, during 2020-21, there were no directions issued to either SAC or NHSAAA. While the IJB is not alone in this¹, it would be expected under normal operating conditions that directions from the IJB to the delivery partners would be in place. **(Action 1)**

The IJB has used MS Teams as the platform for all meetings held via teleconferencing. COVID-19 legislation does not specify that exclusion of press and public is permissible for IJBs, only local authorities. This implies that press and public should continue to be given the opportunity to attend such meetings, and creates a risk that the IJB may not be seen to be as open and transparent as possible. Using the same seven responses from other IJBs, as well as other IJBs identified during testing, it was noted that varying degrees of public engagement were achieved by IJBs during the period of the pandemic to date and that greater opportunity should be provided for this going forward. **(Actions 2 & 3)**

As this review covered governance arrangements, consideration was given to the arrangements for the reporting of progress against the Ministerial Strategic Group (MSG) action plan regarding progress with integration. It was noted that the MSG action plan (which contained 31 action points) continued to be reported to both the Three-Way Strategic Group (most recently reported September 2020) as well as the PAC (most recently reported December 2020). It is important that officers continue to provide

¹ A questionnaire was issued to other IJBs throughout Scotland, and seven responses were received. On the question of whether directions had been issued during 2020/21, five responded. Four had issued directions (80%), one had not (20%).

progress reports against this action plan, especially as some actions may have been delayed as a result of COVID-19. **(Action 4)**

Next steps

The audit gave rise to four recommendations, which management have agreed to implement:

- 0 high risk
- 2 medium risk
- 2 low risk

The main recommendations relate to issuing of directions, and public engagement in IJB and PAC meetings. Unless these recommendations are addressed, there is a risk that the IJB does not maintain appropriate levels of governance. More detail on these recommendations is shown in the Action Plan.

Action Plan

Management assurances that internal audit recommendations have been implemented are taken to mean that suitable evidence is available to verify such assurances.

high risk: action needs to be taken as soon as possible to address a weakness that fundamentally undermines the control system

medium risk: action is required within a short period of time to address a significant deficiency in the control system

low risk: action is required by the agreed date to address a weakness in the control system

This Action Plan has been discussed and agreed with the appropriate officers noted below.

references	Action	Observation	Risk	grade	Management Response	responsibility and due date
No: 1 Pentana: IA2021/44/01	Greater use should be made of directions to SAC and NHSAAA, and where necessary appropriate training should be carried out with officers of the HSCP to ensure greater awareness and use of directions.	<p>Emergency delegated authority powers granted to the IJB Chief Officer and Section 95 Officer in March 2020 were not utilised.</p> <p>The functioning of the IJB and the PAC continued relatively undisrupted, however no directions were issued to either SAC or NHSAAA.</p> <p>Three IJB approval papers were identified which highlighted that a direction should be issued:</p> <ul style="list-style-type: none"> IJB Budget 2020-21 (approved March 2020) notes that directions are required to both SAC and NHSAAA South Ayrshire Alcohol and Drug Partnership Funding Allocations 2020-2021 (approved June 2020) notes that directions are required to both SAC and NHSAAA Sexual Exploitation Strategy 2020-2025 (approved September 2020) notes that directions are required to both SAC and NHSAAA. <p>For two of the three approvals, the IJB minutes note that Directions will be issued. Internal Audit were advised that this did not take place.</p>	The IJB may not be following the Scottish Government's guidance in relation to Directions from Integration Boards to Health Boards and Local Authorities (published January 2020). Collaboration and communication may not be optimised with SAC and NHSAAA.	Medium	A Pan Ayrshire HSCP working group has been set up to develop a standardised approach to directions. This piece of work will be undertaken this year with a fully imbedded process in place by 31 st of March 2022. Directions will be issued for Budget 21-22 to partners in April 21, following recent approval of the budget for 21-22. Awareness raising with management has begun.	Chief Finance Officer HSCP and Senior Manager (Planning and Performance) HSCP March 2022

references	Action	Observation	Risk	grade	Management Response	responsibility and due date
No: 2 Pentana: IA2021/44/02	Technology should be used to its full functionality to ensure the IJB is including press and public as far as possible.	<p>IJB and PAC have been held via MS Teams during the period of teleconferencing. This platform allows for greater flexibility to include press and public in the meetings. Of the seven IJBs who responded to the questionnaire, and two others identified during testing (nine in total):</p> <ul style="list-style-type: none"> • Four do not have live or recorded conferencing, nor do they invite the public to attend the remote meeting. • Three IJBs livestreamed their meetings, and retain these for viewing after the event also. • One IJB did not invite the public to attend, but recorded meetings were available to view after the event (on YouTube). • One IJB invites members of the public to attend, but does not have live or recorded meetings. 	There may be reputational damage if the IJB is not seen to be maximising opportunities for public involvement.	Medium	The IJB will make its meeting on 28 th April 2021 accessible to the public via a MS Teams link to those who request it. A technical solution has not been found to livestreaming although we will look to develop.	<p>Senior Manager (Planning and Performance) HSCP</p> <p>September 2021</p>
No: 3 Pentana: IA2021/44/03	A paper should be presented to the IJB to propose how new working arrangements will be put in place to enable greater public engagement during meetings of the IJB and the PAC.	<p>The HSCP Senior Manager (Planning and Performance) is due to report to the IJB on agile working experiences to date, and future plans for agile working arrangements.</p> <p>This paper should take into consideration the points raised in this audit report, particularly in respect of the governance arrangements and protocols which will be adopted for meetings which include members of the public.</p>	Working arrangements regarding public engagement may not be fit for purpose.	Low	A report on the impact of remote working on governance, and current/future actions to improve this (building on this report) will go to the IJB on 28 th April 2021.	<p>Senior Manager (Planning and Performance) HSCP</p> <p>April 2021</p>

references	Action	Observation	Risk	grade	Management Response	responsibility and due date
No: 4 Pentana: IA2021/44/04	The progress against the MSG action plan should continue to be reported at the Three-Way Strategic Group meetings and the PAC until full implementation is achieved.	<p>Progress against the MSG has most recently been reported to the Three-Way Strategic Group in September 2020 and to the PAC in December 2020. At December 2020, progress against the 31 action points was as follows:</p> <ul style="list-style-type: none"> • 0-49% - 2 • 50-74% - 10 • 75-99% - 5 • 100% - 14 • TOTAL – 31 <p>Around half the actions are not yet fully implemented, with some now overdue due to delays caused by the COVID-19 pandemic.</p>	Full implementation of the action plan may not be achieved, thereby risking the IJBs ability to fully achieve integration.	Low	Activity in relation to the MSG Action Plan continues and a report will be taken to the PAC in May 2021.	<p>Senior Manager (Planning and Performance) HSCP</p> <p>May 2021 (report to PAC)</p> <p>December 2021 (Actions complete)</p>