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Agenda Item: 3.

Integration Joint Board – Audit Committee

Tuesday, 19 November 2019, 11:30.

Council Chamber, Council Offices, School Place, Kirkwall.

Minute

Present

- Scott Hunter, Chief Social Work Officer, Orkney Islands Council.
- Issy Grieve, Non-Executive Director, NHS Orkney.
- Councillor John T Richards, Orkney Islands Council.
- Councillor Stephen Sankey, 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

- Katharine McKerrell, Solicitor, Orkney Islands Council.
- Pat Robinson, Chief Finance Officer, Orkney Health and Care.
- Andrew Paterson, Chief Internal Auditor, Orkney Islands Council.

Chair

- Issy Grieve, NHS Orkney.

1. Apologies

Apologies for absence had been intimated on behalf of the following:

- Davie Campbell, Non-Executive Director, NHS Orkney.
- Patricia Fraser, Audit Manager, Audit Scotland.
- Neil Reid, Senior Auditor, Audit Scotland.
- David Eardley, Chief Audit Executive, Scott-Moncrieff.
- Matthew Swann, Internal Audit Senior Manager, Scott-Moncrieff

2. Declarations of Interest

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

3. Minute of Previous Meeting

There had been previously circulated the draft Minute of the Meeting of the Audit Committee held on 29 August 2019.

The minute was **approved** as a true record, on the motion of Councillor John T Richards, seconded by Councillor Stephen Sankey.

4. Matters Arising

There were no matters arising from the previous minute.

5. Locality Planning

There had been previously circulated a report presenting the findings of an internal audit relating to the Board's approach to locality planning, to enable the Committee to seek assurance.

Andrew Paterson advised that the purpose of the audit was to confirm that there was a defined Locality Planning Strategy in place within the Integration Joint Board. As part of the audit, benchmarking had taken place, with 30 performance reports from other integration authorities compared, whereby only one integration authority was found to be fully compliant with the legislation. The audit provided limited assurance with regard to the development of locality planning to date, although there were several proposals for progressing. The audit included two recommendations.

Frances Troup queried the process for the audit and Andrew Paterson confirmed that, once the Audit Committee had considered the audit findings, the report would be passed to Orkney Islands Council's Monitoring and Audit Committee, in accordance with the agreed protocol.

Councillor John T Richards expressed concern that, although the Integration Joint Board had settled on two locality hubs, the audit confirmed it was not a tick box exercise. Throughout Scotland there appeared to be a huge range of localities and variations, with no clear route. Accordingly, he was grateful that the matter would come back to the Integration Joint Board and natural neighbourhoods identified.

Councillor Stephen Sankey was surprised that only one integration authority was fully compliant with the legislation, given that integration had commenced several years earlier. However, he saw locality planning as work in progress, particularly as a new Strategic Plan was currently being developed, with a commitment to develop community hubs which would be more like core localities.

Pat Robinson reminded the Committee of the requirement for budgets to be allocated against localities. Taking residential care facilities as an example locally, isles residents were equally entitled to a place in a care facility, if required, therefore it was very difficult to allocate funding and budgets against the two localities previously identified.

Issy Grieve advised that she took assurance from the audit, with the Action Plan containing smart targets, and looked forward to hearing more about the locality planning.

The Audit Committee thereafter noted:

5.1. That an internal audit had been undertaken in respect of the Board's approach to locality planning.

5.2. The findings contained in the internal audit report, attached as Appendix 1 to the report circulated, in respect of the Board's approach to locality planning.

5.3. That an action plan to address the improvements identified and included within the internal audit report had been agreed with responsible officers, with the actions due to be implemented by June 2020.

The Audit Committee reviewed:

5.4. The audit findings and obtained assurance that action had been taken or agreed where necessary.

6. Self-Directed Support

There had been previously circulated a report presenting the findings of an internal audit, undertaken on behalf of Orkney Islands Council, in respect of procedures and controls relating to implementation of Self-Directed Support, for information.

Andrew Paterson confirmed that this internal audit was one within Orkney Islands Council's annual audit plan, which had already been considered by the Council's Monitoring and Audit Committee. The audit was in respect of procedures and controls relating to implementation of Self-Directed Support. The audit provided adequate assurance in that the procedures and controls were well controlled and managed. The audit contained eight recommendations.

Frances Troup welcomed the audit report which was very thorough but queried what would happen if the assessed need was there, but insufficient budget available. Pat Robinson advised that, if there was assessed need, the service must be provided regardless. However, to stay within budget, the eligibility criteria could be reviewed.

Councillor Stephen Sankey said he had no issue with the audit recommendations as they were all medium priority and process related, confirming that legislation was being adhered to. However, as it was known that demand for Self-Directed Support had grown exponentially over recent years, he thought it would have been beneficial to include a graph showing the trend. One area of concern, however, was the apparent lack of capacity to undertake reviews. Further, there was no Finance representative on the Allocation of Resources Committee.

Andrew Paterson advised that the audit focussed on processes and procedures, rather than actual spend, however a graph could be provided.

Scott Hunter referred to Councillor Sankey's remarks regarding capacity to undertake reviews, which he fully endorsed, as reviews were critical in ensuring that services were provided correctly. 99% of the time things would tick along okay, however, at times a significant case review might result in significant negative outcomes, therefore the situation would be monitored closely.

Pat Robinson also referred to the issue of capacity to undertake reviews, which was an issue that the Chief Officer, Sally Shaw, had taken on board with a view to procedures being in place shortly. Self-Directed Support should be seen as an enabler in that a person could receive the services they required. There was an increasing need for services and Self-Directed Support should not be seen as the issue. Councillor Sankey countered that finance could provide a proxy for the number of clients.

Councillor John T Richards referred to the principle behind Self-Directed Support, which was to provide choice, however, the impact was different depending on the locality; in an urban area, it may be possible to cease one service, but still have sufficient service elsewhere, which was most likely not an option in a remote and rural area like Orkney.

As the audit had already been reported to the Council's Monitoring and Audit Committee, Councillor Richards was at an advantage, having already seen the audit report. He referred to the conflict between the audit recommendation and the management response, in that lack of finance could not be a deciding factor on provision of service, but noted that action would be taken to ensure more finance input, particularly when the Allocation of Resources Committee was considering packages of care. With regard to the final recommendation, relating to support plan monitoring, he was surprised this was not happening already, but noted that action would be taken, with all recommendations at a medium priority level.

Scott Hunter gave reassurance regarding measuring outcomes through casework which was regularly monitored and tracked. The last recommendation related to cumulative outcomes.

Pat Robinson advised that Self-Directed Support related to all services – Council, external and Direct Payments – and that Orkney had the highest number of recipients of Self-Directed Support in recent years, although she did not have up to date figures.

Issy Grieve noted that the Audit Committee was invited to note the audit, although she thought the Committee should take some assurance. There were no high priority actions and there was good evidence that the recommendations were being dealt with.

The Audit Committee thereafter noted:

6.1. That the Council's Internal Audit had undertaken an audit of the procedures and controls relating to Self-Directed Support.

6.2. That the Internal Audit report, attached to the report circulated, was scrutinised by the Council's Monitoring and Audit Committee on 26 September 2019.

The Audit Committee reviewed:

6.3. The findings of the Internal Audit report on the procedures and controls relating to Self-Directed Support and obtained assurance that action had been taken or agreed where necessary.

7. Date and Time of Next Meeting

It was agreed that the next meeting be held on Wednesday, 18 March 2020, at 11:30, in the Council Chamber, Council Offices, Kirkwall.

8. Conclusion of Meeting

There being no further business, the Chair declared the meeting concluded at 11:55.