

**NORTH LANARKSHIRE HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (FINANCE AND AUDIT) SUB – 12 September 2017**

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**Motherwell, 12 September 2017 at 11.30 am.**

Note of Meeting of the **NORTH LANARKSHIRE HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (FINANCE AND AUDIT) SUB-COMMITTEE**

**PRESENT**

**North Lanarkshire Council:** Councillor Logue (Chair) and Councillor Weir.

**NHS Lanarkshire:** M. Fuller (Vice-Chair) and Dr. A. Osborne.

**Board Members:** Dr. R. Mackenzie (NHSL) and H. Robertson.

**CHAIR**

Councillor Logue (Chair) presided.

**IN ATTENDANCE**

J. Hewitt, Chief Accountable Officer; M. Moy, Finance Officer (S.95) and M. Shankland, Administrative Officer, Legal and Democratic Solutions.

**ALSO IN ATTENDANCE**

M. Morris and J. Watson, Board Members; K. Adamson, Head of Audit and Inspection (NLC); A. Armstrong, Divisional Nurse Director and F. Porter, Depute Director of Finance (NHSL) and C. Grant and F. Ivison, Audit Scotland.

**APOLOGIES**

K. Moffat.

**DECLARATIONS OF INTEREST IN TERMS OF THE ETHICAL STANDARDS IN PUBLIC LIFE ETC. (SCOTLAND) ACT 2000**

1. No declarations were made.

The Chair advised that Councillor Weir had replaced Councillor Gallacher on the Finance and Audit Sub-Committee.

**NORTH LANARKSHIRE HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD (FINANCE AND AUDIT) SUB-COMMITTEE MINUTE**

2. There was submitted the Minute of the meeting of North Lanarkshire Health and Social Care Integration Joint Board (Finance and Audit) Sub-Committee held on 30 May 2017.

**Decided:** that the Minute of the meeting of North Lanarkshire Health and Social Care Integration Joint Board (Finance and Audit) Sub-Committee held on 30 May be approved and noted.

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**INTERNAL AUDIT REPORT – DUE DILIGENCE**

3. With reference to paragraph 4 of the Minute of the meeting of this Sub-Committee held on 30 May 2017, there was submitted a report dated 12 September 2017 by the Chief Accountable Officer (1) presenting a summary of the results of the work undertaken by NHS Lanarkshire and the Council's Internal Audit Teams, as part of the North Lanarkshire Integration Joint Board 2016/17 Annual Internal Audit Plan; (2) detailing the background relative thereto; (3) containing, in the Appendices to the report, the Action Plan, Assurance Definitions and the responsibilities of management and Internal Audit, and (4) concluding that the Auditors had categorised the audit as offering "substantial assurance" and that it had been considered that the control environment was adequate and had substantially operated as intended with only minimal, or minor, control weakness identified.

**Decided:** that the contents of the report be noted.

**INTERNAL AUDIT REPORTS 2016/17**

4. There was submitted a report dated 12 September 2017 by the Chief Accountable Officer (1) providing details of the Financial Management (Budgetary Control) and Performance Management Internal Audit Assignments, undertaken as part of the 2016/17 Internal Audit Plan for the Integration Joint Board; (2) detailing the background relevant thereto; (3) outlining the agreed management response to the Internal Audit Action Plans; (4) outlining (a) within Appendix 1 of the report, the responsibilities of management and Internal Audit Executive Summary and Action Plan; (b) within Appendix 2 of the report, the Financial Management (Budgetary Control) Internal Audit Report, and (c) within Appendix 3 of the report, the Performance Management Internal Audit Report, and (5) indicating (a) that based on the results of the Internal Audit work, both Chief Internal Auditors were generally satisfied that the Board's budgetary control and budget monitoring arrangements appeared adequate, consistent with good practice and in accordance with approved financial regulations, and (b) that although the performance management arrangements in place were relatively new and required time to embed and further develop, the Board had generally developed sound and satisfactory performance management arrangements that were consistent with relevant requirements, guidance and good practice.

**Decided:**

- (1) that it be noted that the Integration Joint Board's budgetary control and budget monitoring arrangements appeared adequate, consistent with good practice and in accordance with approved financial regulations;
- (2) that it be noted that the Integration Joint Board had generally developed sound and satisfactory performance management arrangements that were consistent with relevant requirements and guidance;
- (3) that the management response to each Internal Audit Action Plan be endorsed, and
- (4) that otherwise the contents of the report be noted.

**EXTERNAL AUDITORS ANNUAL AUDIT REPORT 2016/2017**

5. There was submitted a report dated 12 September 2017 by the Chief Accountable Officer (1) outlining the outcome of the Audit by the North Lanarkshire Integration Joint Board's External Auditor within the statutory timescales of 30 September 2017; (2) advising that the Auditor had submitted an Annual Audit Report setting out the key messages for consideration of the Board, as detailed on page 4 the report; (3) detailing the background relative thereto; (4) providing details of the proposed management
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response to the action plan, as contained within Appendix 1 of the Report, and (5) indicating that the External Auditor had concluded that the financial statements for the Integration Joint Board for 2016/17 gave a true and fair view of the state of affairs of its net expenditure for the year and had therefore issued an unqualified independent auditor's report with a clean Audit Certificate in respect of the 2016/17 accounts.

**Decided:**

- (1) that the management response to the action points contained within the External Auditor's Annual Audit Report be approved;
- (2) that it be noted that a clean Audit Certificate in respect of the Integration Joint Board's Annual Accounts 2016/17 had been received, and
- (3) that the External Auditor's Annual Audit Report be remitted to the Integration Joint Board for approval in advance of the statutory timescale of 30 September 2017.

**ANNUAL ACCOUNTS 2016/17**

6. There was submitted a report dated 12 September 2017 by the Chief Accountable Officer (1) providing details of the Integration Joint Board's unsigned Audited Annual Accounts 2016/17, as contained within the Appendix to the report, for consideration before the statutory deadline of 30 September 2017; (2) detailing the background relative thereto; (3) advising that the Annual Accounts 2016/17 were prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003, and (4) indicating (a) that the External Auditor had concluded that the financial statements of the North Lanarkshire Integrated Joint Board for 2016/17 gave a true and fair view of the state of affairs and of its net expenditure for the year and had therefore issued an unqualified independent auditor's report; (b) that the findings of the external audit process had also been reported to this Sub-Committee and an Action Plan approved, as set out in the External Auditor's Annual Audit Report, as noted in the preceding paragraph, and (c) that once signed the Audited Annual Accounts 2016/17 would be advertised as being available to the general public in the Health and Social Care Partnership, Kirklands Hospital, Bothwell and also on the website.

**Decided:**

- (1) that it be noted (a) that a clean Audit Certificate in respect of the Integration Joint Board's Annual Accounts 2016/17 had been received, and (b) that the signed Audited Annual Accounts 2016/17 would be advertised as being available to the general public in the Health and Social Care Partnership, Kirklands Hospital, Bothwell and also on the website, and
- (2) that the Integration Joint Board Annual Accounts 2016/17 be remitted to the Integration Joint Board for signature before the statutory deadline of 30 September 2017.

**INTERNAL AUDIT PLAN 2017/18**

7. There was submitted a report dated 12 September 2017 by the Chief Accountable Officer (1) seeking approval of the Integrated Joint Board's 2017/18 Internal Audit Plan, as contained within Appendix 1 of the report; (2) detailing the background relative thereto; (3) indicating that the Internal Audit Plan was designed to provide the Chief Internal Auditors with sufficient evidence to form an opinion on the adequacy and effectiveness of internal controls, and (4) outlining (a) the Board's Strategic Risk Register as contained within Appendix 2 of the report, and (b) the Council and NHS Lanarkshire Internal Audit Plans, as contained within Appendices 3 and 4 of the report.

**Decided:** that the Internal Audit Plan for 2017/18 be approved and noted.

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**INTEGRATED SUPPORT WORKER**

8. There was submitted a report dated 12 September 2017 by the Chief Accountable Officer (1) providing an outline of the benefits of an Integrated Support Worker proposal; (2) seeking approval for a non-recurring funding allocation of up to £0.250m from the general fund reserves to support the "test of change" for a six month period as part of the Winter Pressures Plan, and (3) detailing the background relative thereto together with a summary of key issues.

**Decided:** that the report be remitted to the Integration Joint Board for consideration.

**FINANCE REPORT 2017/18**

9. There was submitted a report dated 12 September 2017 by the Chief Accountable Officer (1) providing a summary of the financial position of the North Lanarkshire Health and Social Care Partnership for the period from 1 April to 31 July 2017 (Health Care Services) and 18 August 2017 (Social Work Services); (2) advising that there was a projected year end overspend of £4.077m on Social Care Services in respect of which management action requires to be taken, and (3) indicating that from the balance of reserves of £4.294m, that £0.250m of that be earmarked to fund the "test of change" for Integrated Support Workers for a temporary six month period, subject to approval by the Integration Joint Board, as referred to in the preceding paragraph.

Arising thereon, the Finance Officer orally advised that there should be no further commitment against the remaining balance of the reserves fund of £4.044m until more up to date information was available on the financial projections of each partner and the progress of the social work resources management action is known, and advising that a budget recovery plan to manage in-year demand continues to be progressed.

**Decided:**

- (1) that the financial position outlined in the report be noted;
  - (2) that the projected overspend of £4.077m on Social Care Services be noted;
  - (3) that the ongoing management action by Social Work Resources to reduce the overspend be noted;
  - (4) that, subject to the Integration Joint Board approval of the "test of change" the proposals to earmark £0.250m of the balance of the General Fund Reserves of £4.294m to fund Integrated Support Workers for a temporary six month period be noted;
  - (5) that the financial projections for 2017/18 by both partners is reported to the next meeting of the Finance and Audit Sub-Committee;
  - (6) that it be noted that there should be no further commitment against the remaining balance of the Reserves Fund of £4.044m until more up to date information was available on the financial projections of each partner and the progress of the Social Work Resources management action was known, and
  - (7) that the ongoing development of a budget recovery plan to manage in-year demand be noted.
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**RISK MANAGEMENT UPDATE**

10. There was submitted a report dated 12 September 2017 by the Chief Accountable Officer (1) providing an update on the Risk Register for the Health and Social Care Partnership, as detailed in the Appendix to the report; (2) detailing the background relative thereto, and (3) setting out a summary of key issues.

**Decided:** that the contents of the report be noted.

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