

REPORT

Item No:

SUBJECT:	Progress Report on Agreed Actions
TO:	Performance, Finance and Audit Committee
Lead Officer for Report:	Chief Officer
Author(s) of Report	Chief Financial Officer
DATE:	17 February 2021

1. PURPOSE OF REPORT

1.1 This paper is coming to the Performance, Finance and Audit (PFA) Committee:

For approval	<input type="checkbox"/>	For endorsement	<input checked="" type="checkbox"/>	For noting	<input type="checkbox"/>
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1.2 This report provides an outline of the actions agreed with the External Auditor, the Internal Auditors and the Senior Management Team to further develop the IJB governance framework.

2. ROUTE TO THE PERFORMANCE, FINANCE AND AUDIT COMMITTEE:

2.1 This paper has been:

Prepared By; Chief Financial Officer	Reviewed By; Chief Officer
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3. RECOMMENDATIONS

3.1 The PFA Committee is asked to agree the following recommendations:

- (1) That the content of the report is noted; and
- (2) That further progress reports will be presented to future meetings of the PFA Committee in respect of the actions which are ongoing.

4. VARIATIONS TO DIRECTIONS

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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5. BACKGROUND/SUMMARY OF KEY ISSUES

5.1 Recommendations to further strengthen the IJB governance framework were made by the External Auditor and the Internal Auditors. In addition to this, the Senior Management Team (SMT) also identified further improvement opportunities. These further developments will contribute to the IJB's annual assessment of the governance arrangements.

5.2 The progress of action taken to date is attached at appendices 1 to 3. The actions which are now reported as completed will be removed from the next progress report to the PFA Committee.

6. CONCLUSIONS

6.1 The progress made to date in respect of the agreed improvement actions is summarised below.

Actions	Total	Completed On time	Completed Overdue	Actions Ongoing	Actions Overdue
External Audit	9	1	3	5	0
Internal Audit	14	1	6	0	7
Senior Management	9	4	0	4	1
Total	32	6	9	9	8
		19%	28%	28%	25%

6.2 The ongoing actions are measured against the revised timeline set out at appendices 1 to 3.

7. IMPLICATIONS

7.1 NATIONAL OUTCOMES

This report relates to all national outcomes as effective governance arrangements will ensure the IJB can fulfil its statutory duties. Good governance enables the IJB to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

7.2 ASSOCIATED MEASURE(S)

The implementation of agreed actions will inform the Annual Governance Statement for 2020/2021 and contribute to the assessment of the internal control framework.

7.3 FINANCIAL

This paper has been reviewed by Finance:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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7.4 RISK ASSESSMENT/RISK MANAGEMENT

The risks associated with the achievement of the agreed target timescales has been considered when the update on the current position has been provided.

7.5 PEOPLE

None.

7.6 INEQUALITIES & FAIRER SCOTLAND DUTY

EQIA Completed & Fairer Scotland Impact Assessment Form Completed:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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7.7 CARBON MANAGEMENT IMPLICATIONS

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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8. BACKGROUND PAPERS

None.

9. APPENDICES

Update on External Audit Actions
Update on Internal Audit Actions
Update on Senior Management Actions

Appendix 1
Appendix 2
Appendix 3



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CHIEF OFFICER (or Depute)

Members seeking further information about any aspect of this report, please contact Marie Moy on telephone number 01698 453709.

Ref	Finding	Recommendation	Management Response	Current Position
1	<p>Disaggregation of children, families and justice social work services.</p> <p>An exercise is ongoing to align the finances with the revised integration scheme over an 18-month period. The work to disaggregate the budgets for some more complex areas where the services cut across delegated and non-delegated services is ongoing. There is a risk that the budget disaggregation exercise extends beyond the 18-month transition period and the IJB financial monitoring reports and accounts do not accurately reflect delegated services in 2020/21.</p>	<p>The IJB should monitor progress against the improvement actions identified in the governance statement and the internal audit review in relation to the transfer of children, families and justice services.</p>	<p>Agreed</p> <p>The budget disaggregation exercise will be concluded in 2020/2021 and a revised direction issued by the IJB to NLC to reflect the total budget transfer in respect of Children, Families and Justice Services and also the hosting arrangements for cross-cutting and support services.</p> <p>Chief Financial Officer March 2021</p>	<p>Ongoing</p> <p>The budget disaggregation exercise has been concluded. A revised direction will be issued by the IJB to NLC on 23 March 2021 to reflect the total budget transfer in respect of Children, Families and Justice Services and also the hosting arrangements for cross-cutting and support services.</p>
2	<p>Financial Management</p> <p>Financial monitoring reports do not provide a forecast of the outturn position for health care services until towards the end of the year and the accuracy of forecasts could improve. The timing of meetings and availability of information means that the IJB is not receiving a financial monitoring report until five months into the year. There is a risk that financial pressures are not identified and managed in a timely manner.</p>	<p>The CFO should continue to work with partners to improve the timing of financial reporting and outturn forecasts.</p>	<p>Agreed</p> <p>In consultation with both partners, further improvements will be implemented to the IJB financial monitoring arrangements to ensure the financial information is reported timeously and forecast projections are accurate. It is noted however that the financial implications of the Covid-19 pandemic have increased the financial uncertainty for the IJB and both partners.</p> <p>Chief Financial Officer September 2021</p>	<p>Ongoing</p> <p>Both partners provided projected outturns as at 31 March 2021 which were presented to the IJB PFA Committee on 17 February 2021. There were particular challenges in 2020/2021 as a result of the Covid-19 pandemic including uncertainty about the impact of the pandemic on services, in particular the step up / step down of services, and uncertainty about the additional Scottish Government funding available. Notwithstanding these challenges, projected outturns were provided by each partner based on current available information.</p>

Update on External Audit Actions (Cont.)

Appendix 1 (Cont.)

Ref	Finding	Recommendation	Management Response	Current Position
3	<p>Hosted service The management of financial resources for hosted services is agreed in principal each year. The accounting policy is clear that the host is responsible for managing the overspends and underspends on these services and this is how the hosted services are being managed in practice, but this is not set out in a formal agreement for future years. There is a risk that this becomes an area of dispute.</p>	<p>The IJB should set out the arrangements that exist in practice for the management of financial risk for hosted services on a permanent basis.</p>	<p>Agreed The financial arrangements for hosted services will be reviewed and will take into consideration the practical experience to date of the current hosted services principals. Following the review, the hosted services arrangements will be set out in a formal agreement to be approved by the North Lanarkshire IJB and the South Lanarkshire IJB.</p> <p>Chief Financial Officer September 2021</p>	<p>Ongoing Work on this action is being progressed.</p>
4	<p>2020/21 budget The 2020/21 budget included £3.5 million unidentified savings and due to Covid-19 significant revisions may be required. There is a risk that the budget is unachievable without further identified savings.</p>	<p>The 2020/21 budget should be reviewed due to Covid-19 and clear actions identified to address any funding gap.</p>	<p>Agreed In consultation with both partners, the IJB Financial Plan 2020/2021 will be reviewed and action taken to ensure a balanced budget is achieved by 31 March 2021. This will also require confirmation of the additional costs incurred as a result of the Covid-19 pandemic, the additional Scottish Government funding provided in 2020/2021 and the extent of unfunded costs, if any, as a result of the pandemic. The IJB will continue to be kept up-to-date with the emerging guidance from the Scottish Government in respect of the management of the Covid-19 costs incurred.</p> <p>Chief Financial Officer March 2021</p>	<p>Ongoing The Financial Monitoring Report on the IJB Performance, Finance and Audit Committee agenda for the 17 February 2021 provides an update on the financial position for 2020/2021. This includes the outcome of the review of the original 2020/2021 IJB Financial Plan and takes into consideration the financial implications of Covid-19.</p>

Update on External Audit Actions (Cont.)

Appendix 1 (Cont.)

Ref	Finding	Recommendation	Management Response	Current Position
5	<p>Medium to long term financial plan The IJB now has a medium to long term financial plan that spans the period 2020/21 to 2029/30 but this will need to be updated to reflect the impact of Covid-19 and EU withdrawal. There is a risk that the financial planning assumptions in the medium to long term financial plan may be inaccurate.</p>	<p>The IJB's medium to long term financial plan should be reviewed due to the impact of Covid-19 and EU withdrawal.</p>	<p>Agreed The IJB medium to long term financial plan will be reviewed to reflect the impact of the Covid-19 pandemic, EU withdrawal and other emerging health and social care cost pressures. The potential impact on the Scottish Government financial settlements both in-year and in future years will also be assessed.</p> <p>Chief Financial Officer March 2021</p>	<p>Ongoing The IJB Medium to Long Term Financial Plan on the IJB Performance, Finance and Audit Committee agenda for the 17 February 2021 takes into consideration the financial implications of Covid-19 and the emerging issues in respect of EU withdrawal.</p>

Update on Internal Audit Actions

Appendix 2

Ref	Risk Management Maturity Audit Report <i>Adequate Assurance (Audit Ref: NL04/18)</i>	Recommendations / Management Response	Current Position
1	<p>Although the IJB has agreed and is implementing a procedure with the Health Board for considering shared risks, this is not reflected in the RMS. Similar arrangements have not been established with the Local Authority.</p> <p>There is a risk that the IJB and Council may not have a shared approach to these risks and escalation between the two bodies may be ineffective. The RMS does not reflect actual practice.</p> <p>Priority: Amber</p>	<p>Agreed A similar approach to that adopted between the IJB and Health Board will be discussed and agreed with the Local Authority. The RMS will also be updated to reflect the revised arrangements.</p> <p>Chief Officer March 2020</p>	<p>Ongoing - Overdue - Update 28/10/2020 A report on the risk register was included on the IJB agenda on 24 March 2020. A further report was considered by the IJB on 22 September 2020.</p> <p>The RMS continues to be updated and a further comprehensive review of shared risks will be completed by 31 March 2021. Updates to the RMS will be reported to and approved by the IJB and both partners as appropriate.</p>
2	<p>Although the risk appetite has been approved by the IJB, it has not been applied to all strategic risks so that some target risks are below the agreed appetite with no explanation.</p> <p>Officers may not understand the importance of implementing the appetite agreed by the IJB Board. Effort and resources may be expended reducing risks to below the agreed appetite whilst other risks remain above appetite. The underlying reasons for exceptions should be presented to and approved by the IJB.</p> <p>Priority: Amber</p>	<p>Agreed The Risk Appetites will be reviewed. The application of this concept will also be refreshed. The reduction of all risks to as minimal a level as possible is a positive outcome.</p> <p>Operational & Business Manager March 2020</p>	<p>Completed - Overdue The review of the IJB Risk Register has been completed. A desktop review of risks was jointly undertaken by the Chief Officer, Chief Financial Officer and the Operational & Business Manager. This included a review of the risk appetite. A number of risks were no longer valid and there were areas of duplication across risks. Having regard to the strategic responsibilities of the IJB, all risks on the register are strategic in nature. The IJB approved the current version of the IJB Risk Register on 9 December 2020.</p> <p>In order to ensure that risks continue to be effectively managed, the IJB Risk Register is a standard agenda item at each IJB meeting. This includes the identification of new risks, the re-assessment of existing risks, the review of mitigating actions and the oversight of each partner's Risk Registers in respect of the functions delegated to the IJB, as appropriate.</p>

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Update on Internal Audit Actions (Cont.)

Appendix 2 (Cont.)

Ref	Risk Management Maturity Audit Report <i>Adequate Assurance (Audit Ref: NL04/18)</i>	Recommendations / Management Response	Current Position
3	<p>Whilst the Risk Register is subject to continuous review and is updated regularly, there has not been a fundamental review involving all IJB members and referencing partner body Risk Registers.</p> <p>The Risk Register may not take into account the knowledge and views of all IJB members and the lessons learned from updating the Strategic Commissioning Plan.</p> <p>Priority: Amber</p>	<p>Agreed</p> <p>A specific Board Development Event will be organised to review the Risk Register which will take into account lessons learned from the production of the Strategic Commissioning Plan, including potential obstacles to its delivery. The relevant risks from NL, NHSL and SL Risk Registers will also be considered.</p> <p>Operational & Business Manager March 2020</p>	<p>Completed - Overdue</p> <p>The development event on risk was undertaken at the IJB Liaison Group in March 2020 and, as highlighted in response to action 2 above, the review of the IJB Risk Register has been completed.</p> <p>The current IJB Risk Register was approved on 9 December 2020. It includes the strategic risks in respect of the Strategic Commissioning Plan 2020/2023 and also references the partner's risks, as appropriate.</p>
4	<p>There is little evidence that management actions and controls are effectively reducing the risk levels and six risks are above appetite. Controls (the measures which reduce risk to its current level) and actions (measures which are intended to reduce the risk to its target level) are not differentiated within the Risk Register and there is currently no overt assurance on their effectiveness. The forthcoming assurance mapping exercise may be helpful in this regard but will require to be updated regularly. There is a risk that the PFA Committee may not be able to assure itself that controls are operating effectively nor that there is a realistic prospect of target risk scores being achieved.</p> <p>Priority: Amber</p>	<p>Agreed</p> <p>Controls and actions should be differentiated and assurance received on both. The forthcoming assurance mapping exercise may be helpful in this regard but will require to be updated regularly.</p> <p>Further clarification of controls and actions will be developed and included in future reports to the IJB.</p> <p>Operational & Business Manager March 2020</p>	<p>Completed - Overdue</p> <p>The development event on risk was undertaken at the IJB Liaison Group in March 2020 and, as highlighted in response to action 2 above, the review of the IJB Risk Register has been completed.</p> <p>The ongoing review of the IJB Risk Register considers the risk appetite, the controls and the mitigating actions.</p>

Update on Internal Audit Actions (Cont.)

Appendix 2 (Cont.)

Ref	Risk Management Maturity Audit Report <i>Adequate Assurance (Audit Ref: NL04/18)</i>	Recommendations / Management Response	Current Position
5	<p>The PFA Committee does not receive an annual assurance report on risk management and there are no defined KPIs or performance measures for risk management.</p> <p>There is a risk that the PFA Committee may not be able to conclude on the overall adequacy and effectiveness of Risk Management arrangements.</p> <p>Priority: Amber</p>	<p>Agreed An appropriate methodology for assessing the adequacy and effectiveness of risk management arrangements will be developed. This will include suitable KPIs and performance measures.</p> <p>Performance Manager March 2020</p>	<p>Ongoing - Overdue - Update 28/10/2020 An appropriate methodology for assessing the adequacy and effectiveness of risk management arrangements will be developed. This will include suitable key performance indicators and performance measures.</p> <p>Performance indicators are being considered as part of the current review of the HSCP's performance framework.</p>
6	<p>The risk register is regularly reported to the SLT, PFA Committee and the IJB but there is no clear delineation for the responsibilities of each group in relation to these risks and minutes do not show clear evidence of detailed discussion or agreed actions arising. The potential for duplication of effort or lack of clarity over which body should take responsibility for monitoring individual risks, controls and actions therefore exists. In particular, if the PFAC has primary responsibility, it should produce an assurance/escalation report to the IJB rather than the Risk Register paper being duplicated. Minutes should reflect the conversations held and record key actions arising.</p> <p>Priority: Amber</p>	<p>Agreed Responsibility for risk management will be confirmed. This will include clarifying the role of the IJB and PFA Committee in relation to risk and reporting arrangements adopted appropriately. The key risk issues discussed will be recorded and existing escalation processes formalised.</p> <p>Operational & Business Manager March 2020</p>	<p>Completed - Overdue The IJB has agreed that the PFA Committee will oversee specific risks associated with the remit of the PFA Committee.</p> <p>The current IJB Risk Register was reported to the PFA Committee on 4 November 2020 and approved by the IJB on 9 December 2020.</p> <p>The last agenda item at each meeting of the PFA Committee and the IJB will consider whether, from the business discussed, any new risks have emerged and whether the existing risks have been materially altered. This review will consider risk tolerance levels, controls and mitigating actions.</p>

Update on Internal Audit Actions (Cont.)

Appendix 2 (Cont.)

Ref	Risk Management Maturity Audit Report <i>Adequate Assurance (Audit Ref: NLO4/18)</i>	Recommendations / Management Response	Current Position
7	<p>Board and PFAC papers do not routinely report on the Risk Management implications of the issues raised.</p> <p>Decisions may not fully reflect Risk Management considerations. The risk register may not reflect issues highlighted within performance management and other assurance reports.</p> <p>IJB and PFAC papers should contain a section on risk which considers whether issues raised should be included within the risk register and overtly reflect the impact on any existing strategic risks. Performance reports should reference relevant strategic risks and assess whether scores are accurate and whether actions intended to reduce risk to target level are on track.</p> <p>Priority: Amber</p>	<p>Agreed</p> <p>The format and content of IJB and PFAC reports will be reviewed to ensure that the management of risks is transparent and effective.</p> <p>Operational & Business Manager March 2020</p>	<p>Completed - Overdue</p> <p>As above, the review of the IJB Risk Register has been concluded, an assessment of risks, current and emerging, is undertaken at the end of each PFAC and IJB meeting and the new reporting template has been implemented which includes a specific section on risk assessment and risk management implications.</p>

Update on Internal Audit Actions (Cont.)

Appendix 2 (Cont.)

Ref	Performance Management Audit Report <i>Adequate Assurance (Audit Ref: 0600/2019/004)</i>	Recommendations / Management Response	Current Position
8	<p>Improvements are needed to the way in which performance information is reported to better enable Committee members' to exercise effective oversight, scrutiny and challenge. It is considered there is scope for significant improvement in what and how this information is presented.</p> <p>There is a risk that the IJB may not provide adequate performance information to key stakeholders to enable them to make informed decisions and recommend remedial actions to address concerns arising. The IJB Performance, Finance and Audit Committee may not therefore be in a position to fulfil its remit which includes the requirement to <i>'Review quarterly performance and recommend remedial action to address concerns'</i> and to <i>'Ensure effective arrangements are in place to register all performance and operational risks'</i>.</p> <p>Priority: Amber</p>	<p>Agreed</p> <p>Management will undertake a formal review of the current arrangements for monitoring and reporting performance to reflect on whether reports are fit for purpose and contain relevant, comprehensive information useful to stakeholders. This could include comparison with other IJB published reports. Particular consideration should be given to the following areas:</p> <ul style="list-style-type: none"> ▪ an overview of all indicators on the performance scorecard including a mechanism to provide an update on indicators previously reported but now considered satisfactory; ▪ proposed actions with timescales, progress with these and how effective they are; ▪ greater use of benchmarking with other IJBs and trend information; and ▪ incorporating reporting by locality. <p>Performance Manager January 2020</p>	<p>Ongoing - Overdue - Update 27/01/2021</p> <p>Review of the indicators and targets within the HSCP's performance framework has taken place and will be subject of further report to IJB before end of March 2021.</p> <p>This report will include future arrangements for improved action planning and reporting, benchmarking activity, and locality improvement planning.</p>

Update on Internal Audit Actions (Cont.)

Appendix 2 (Cont.)

Ref	Performance Management Audit Report <i>Adequate Assurance (Audit Ref: 0600/2019/004)</i>	Recommendations / Management Response	Current Position
9	<p>The annual performance report whilst generally compliant does not meet all minimum requirements set out in the relevant Scottish Government guidance and could be further developed. A number of areas were identified where improvements could be made. In particular, consideration needs to be given to ensuring reports are easily understood by a wide audience and presented in a way that is 'clear for non-experts'. On reviewing the report and those of other IJBs, internal audit concluded that the North Lanarkshire Health and Social Care Partnership Annual Report 2018/19 did not meet this expectation.</p> <p>There is a risk that the IJB may fail to ensure that it complies with the relevant guidance. Information may not be sufficient to support effective decision-making and/or effective scrutiny and oversight by key stakeholders.</p> <p>Priority: Amber</p>	<p>Agreed Management will ensure that, going forward, consideration is given to the issues detailed at Appendix 3 to enhance and improve the current format of the Annual Performance Report.</p> <p>Performance Manager June 2020</p>	<p>Completed - Overdue The Annual Performance Report 2019/2020 was approved at the IJB meeting on 22 September 2020 and is now complete, graphically designed and available on the website.</p>
10	<p>There is no formal record of the setting and approval of targets and trajectories for indicators on the performance scorecard. Internal Audit noted that targets and trajectories for underlying performance measures are discussed and agreed at the Chief Executives' Performance Review meetings but no formal record of this is retained. There is therefore no formal documented record or clear rationale for the targets and trajectories set.</p> <p>Priority: Amber</p>	<p>Agreed Management should ensure that a formal record is retained detailing the rationale for and approval of the targets and trajectories set for the indicators on the performance scorecard and this information should be shared with the Performance, Finance and Audit Committee.</p> <p>Performance Manager</p>	<p>Ongoing - Overdue – Update 27/01/2021 The review of the indicators and targets within the HSCP's performance framework has taken place and will be subject of further report to IJB before end of March 2021.</p>

		October 2019	
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Update on Internal Audit Actions (Cont.)

Appendix 2 (Cont.)

Ref	Performance Management Audit Report <i>Adequate Assurance (Audit Ref: 0600/2019/004)</i>	Recommendations / Management Response	Current Position
11	<p>There were a number of issues identified with regards the methodology and calculation of the Social Work indicator 'Integrated Equipment and Adaptations Service – percentage of deliveries achieved within 7 working days'. The guidance/definition sheet for this particular indicator is not clear or comprehensive. There is a risk that the expected methodology may not be clearly understood or consistently applied, which increases the risk that reported performance information may be inconsistently prepared, inaccurate and/or misleading.</p> <p>Priority: Green</p>	<p>Agreed Management should review current arrangements for recording, collating and calculating this Social Work indicator to ensure that:</p> <ul style="list-style-type: none"> ▪ a clear, detailed and unambiguous definition of the indicator is documented; ▪ the guidance/definition sheet contains clear and detailed instructions on the methodology to be used in calculating the indicator; and ▪ a full record of all adjustments/exclusions is retained. <p>Service Manager October 2019</p>	<p>Ongoing - Overdue - Update 28/10/2020 All arrangements for recording, collating and calculating are under the review.</p> <p>As above, it was anticipated that the outcome of this work would have been concluded, however, this has been rescheduled to March 2021 as a result of the Covid-19 pandemic.</p> <p>An update on progress will be reported to a future meeting.</p>

Update on Internal Audit Actions (Cont.)

Appendix 2 (Cont.)

Ref	Financial Due Diligence Audit Report <i>Adequate Assurance (Audit Ref: 0700/2020/003)</i>	Recommendations / Management Response	Current Position
12	<p>Management need to formalise and agree the proposed arrangements for those services with a 'cross cutting function', to be hosted by either Health and Social Care or Education and Families, and following the approval of the IJB and NLC, to finalise and process the agreed transfer of the remaining cost centres, in relation to the disaggregation of Children, Families and Justice Social Work Services, and their resultant budget.</p> <p>Priority: Amber</p>	<p>Agreed. IJB management will:</p> <ol style="list-style-type: none"> (1) liaise with relevant Council officers to ensure that the transfer of the remaining cost centres, and the resultant resources transferred, are agreed/completed as a matter of urgency; (2) in conjunction with Education and Families, determine, agree and fully document the proposed arrangements for those functions to be 'hosted' by Education and Families and accessed by Adult Health and Social Work Services and vice versa, including giving consideration as to whether there should be a recharge system; (3) in conjunction with relevant Council officers, ensure that both the IJB and NLC approve the proposed 'hosting' arrangements for the budgets in respect of the cross-cutting services; and (4) liaise with the Council to resolve any other outstanding issues with regards to the disaggregation of Children, Families and Justice Services' budgets and the treatment thereof. <p>Chief Officer October 2020</p>	<p>Ongoing - Overdue - Update 17/02/2021</p> <p>Work is progressing.</p> <p>Reports are being prepared for the AH&SC and E&F Committees of NLC and the IJB, to set out the formal hosting arrangements, including budgets, for approval by March 2021.</p> <p>An update on progress will be presented to a future meeting of the PFA Committee.</p>

Ref	Financial Due Diligence Audit Report <i>Adequate Assurance (Audit Ref: 0700/2020/003)</i>	Recommendations / Management Response	Current Position
13	<p>There is a need for a more formal record of the methodology adopted for disaggregation/the resultant figures/cost centres being transferred from Health and Social Care to Education and Families and the associated risks as a result of changes to the Integration Scheme to be formally reported to key stakeholders (i.e. the IJB and relevant Council Committee). The</p> <p>Priority: Amber</p>	<p>Agreed IJB management should, in conjunction with relevant Council officers, ensure that a report is submitted to the IJB setting out the methodology for the disaggregation of cost centres and budgets associated with Children, Families and Justice Social Work Services, detailing the implications of the full disaggregation.</p> <p>Chief Officer October 2020</p>	<p>Ongoing - Overdue - Update 17/02/2021</p> <p>As noted above, work is progressing and reports are being prepared for the AH&SC and E&F Committees of NLC and the IJB, to set out the formal hosting arrangements, including budgets, for approval by March 2021.</p> <p>An update on progress will be presented to a future meeting of the PFA Committee.</p>

Ref	Annual Governance Statement Continuous Improvement Actions	Current Position
1	<p>Implementation of the outcome of the Review of the Integration Scheme.</p> <p>Chief Officer April 2019 to March 2021</p>	<p>Ongoing</p> <ul style="list-style-type: none"> ▪ Improvement actions have been agreed following the outcome of each of the seven work streams. ▪ Update reports will be presented to future meetings of the IJB to advise of progress as appropriate. ▪ Further update report to February 2021 PFA outlining progress against all actions.
2	<p>Further consideration of the Ministerial Strategic Group (MSG) proposals.</p> <p>Chief Officer April 2019 to March 2021</p>	<p>Ongoing</p> <ul style="list-style-type: none"> ▪ A range of actions have been agreed across the partnership to take forward the MSG proposals. ▪ Two of the outstanding actions relate to the finance workstream. This includes a review of the support arrangements for the Chief Financial Officer and the link between strategic and operational finance. The Chief Officer and Chief Financial Officer will progress these actions in 2020/21. ▪ The MSG had previously indicated that a second self-evaluation will be undertaken in 12 months to assess progress. It is expected the follow up will be rescheduled due to the Covid-19 pandemic. ▪ Update reports will be presented to the IJB to advise of progress as appropriate. ▪ Further update report to February 2021 PFA outlining progress against all actions.
3	<p>Review the IJB governance arrangements</p> <p>This will include the review of the following:</p> <ul style="list-style-type: none"> ▪ IJB joint internal audit arrangements ▪ IJB Code of Corporate Governance ▪ IJB emergency response arrangements and ▪ the further development of the IJB website. <p>Chief Financial Officer March 2021</p>	<p>Ongoing</p> <p>Work is progressing.</p>

Update on Senior Management Actions (Cont.)

Appendix 3 (Cont.)

Ref	Annual Governance Statement Continuous Improvement Actions	Current Position
4	<p>Continue to develop the financial framework.</p> <p>This will include the review of the following:</p> <ul style="list-style-type: none"> ▪ IJB Medium to Long Term Financial Strategy ▪ IJB Financial Plan 2020/2021 ▪ IJB Financial Regulations ▪ IJB financial monitoring reports ▪ IJB reserves strategy ▪ the alignment of resources to partner directions and locality needs and ▪ finance capacity. <p>Chief Officer March 2021</p>	<p>Ongoing</p> <p>Work is progressing.</p>
5	<p>Finalise the budget transfer from the IJB to NLC, in line with the revised Integration Scheme</p> <p>This will include the following:</p> <ul style="list-style-type: none"> ▪ the conclusion of the budget disaggregation exercise for the transfer of the remaining cost centres and their resultant budgets ▪ the finalisation of the Service Level Agreement including the arrangements for those services with a 'cross cutting function' ▪ the issue of a revised direction to reflect the 2020/2021 financial allocations <p>Chief Officer September 2020</p>	<p>Ongoing – Overdue</p> <p>The budget disaggregation exercise has been concluded.</p> <p>The Service Level Agreement has been drafted and the formal hosting arrangements will be reported to the Adult Health and Social Care and Education and Families Committees of NLC and the IJB for approval by March 2021. The reports will also include the detail of the disaggregated budgets which have been agreed.</p>