



**ORKNEY**  
ISLANDS COUNCIL

## INTERNAL AUDIT

### Integration Assurance (Interim Report)

### Audit Report

2015/16

**Draft Report Issue Date** : 15 April 2016

**Final Report Issue Date** : 31 May 2016

**Distribution :**

Chief Executive - OIC

Chief Officer - Orkney Integration Joint Board

Chief Finance Officer - Orkney Integration Joint Board

Head of Finance - OIC

### Contents

Executive Summary	2
Introduction	3
Audit Scope	3
Background	5
How it works	7
Audit Findings	10
Action Plan	14

**EXECUTIVE SUMMARY**

- This report has been prepared for the use of Orkney Islands Council. To support onward and successful integration recommendations have been made for the consideration of the Orkney Integration Joint Board (IJB). Therefore this report shall be made available to both the Council’s Monitoring and Audit Committee and to the Orkney Integration Joint Board.
- We have gained assurance that good progress has been made in establishing the required governance, finance and monitoring arrangements required for the Integration Joint Board.
- The establishment of the IJB as a new body corporate has brought additional challenges in establishing the governance, finance and monitoring arrangements. The IJB Officer Working group has made good progress in anticipation of these challenges and maintains its own action log.
- The IJB Officer Working Group had agreed that should any action points become red on the action log these will be escalated to the IJB to explain the position and to consider any rectifying options available.
- There are a number of matters which need to be addressed to strengthen the governance and financial arrangements in place for the IJB and for the Council in delivering commissioned services.
- The report includes 11 recommendations which are set out in the table below. The priority headings assist management in assessing the significance of the issues raised. The recommendations made should be seen as reflecting the number of challenges the IJB faces rather than as an indication of, for example, corrective action.
- A number of actions have been classed as high priority due to the requirement for an expedient response.
- Responsible officers will be required to update progress on the agreed action plan to this report via Aspireview.

Total	High	Medium
11	10	1

The assistance provided by officers contacted during the course of the audit is gratefully acknowledged.

---

## INTRODUCTION

Scottish Government guidance *Integration Financial Assurance* provides advice to Health Boards, Local Authorities and Integration Joint Boards on a process of assurance to help ensure the success of integrating health and social care.

The guidance states that an effective assurance process should enable the IJB to identify the resources delegated to it and the financial, legal or organisational risks involved; it should also help the delegating partners to quantify the risks to their respective operations.

Until Integration Joint Boards (IJBs) were fully established and operational, the Scottish Government had recommended that:

- The shadow Chief Officer and the shadow Chief Finance Officer work with the health board and local authority Directors of Finance in carrying out the assurance work; and
- The respective health board and local authority internal auditors provide a report to their health board and local authority Audit Committees on this assurance process.

This guidance is supplemented by an Audit Scotland report published in December 2015, "Health and Social Care Integration". The report contains recommendations that integration authorities should implement to help address the potential risks to the success of health and social care integration.

## AUDIT SCOPE

The purpose of the audit is to obtain assurance on the financial and governance arrangements planned to support the IJB, in particular that :

### Governance:

1. Clear, strong and effective governance controls exist for the establishment of the IJB ensuring that lessons learnt from other projects have been considered and that there is appropriate representation from the Orkney Islands Council and NHS Orkney. (e.g. Terms of Reference, Standing Orders, Scheme of Delegation, Financial Regulations).
2. A risk management strategy for the IJB has been agreed with all risks assigned to owners.

*NB: It had been agreed that Scott-Moncrieff, NHS Orkney (NHSO) Internal Auditors, would cover the governance aspects (numbers 1 and 2). However due to the timings of the reviews and the need for expedience to meet the go-live date of 1 April 2016, these areas were also covered by OIC Internal Audit.*

3. That data protection compliance, information sharing and confidentiality, freedom of Information, equalities and complaints handling procedures are being established for the IJB for the go-live date of 1 April 2016.

### Finance Provisions:

1. A clear, agreed framework exists detailing the budgets to be provided from the OIC for each area of service that the Chief Officer of the IJB will take responsibility for including detailed assumptions, savings (recurring and non-recurring), efficiencies and scenario analysis.

2. Assurance on subsequent years i.e. the methods of making future payments to the IJB and the methods of setting aside monies for large projects which may straddle annual budgets of capital projects.
3. Confirm that all budgets to be devolved have been appropriately approved.
4. Financial risks have been identified, and accounted for in the financial planning.
5. Confirm that all parties have had sight of relevant budget information from the other parties and the underlying process for deciding them.

*NB: It has been agreed that OIC Internal Audit shall cover funding devolved from the OIC, and that Scott-Moncrieff shall cover that from NHSO.*

### **Monitoring Arrangements**

1. Appropriate financial metrics have been identified to assess whether integration has met its objectives and the process for obtaining baseline data is in place.
2. Appropriate financial monitoring and reporting processes are in place for the IJB. In particular, variances, variance explanations, proposed remedial actions and financial risks.
3. Aspects of Governance relating to Clinical and Care matters are outwith the audit scope.

### **Applicable Period**

Audit testing has focused on preparations for the period from the beginning of the pre-integration shadow period to date. The IJB integration scheme has been approved, and from 6 February 2016 the IJB has been legally established.

## BACKGROUND

The Public Bodies (Joint Working) (Scotland) Act 2014 (“the Act”) put in place the statutory framework for the integration of health and social care services. The Act created new partnerships known as Integration Authorities (IAs) with statutory responsibilities to co-ordinate the delivery of health and adult social care services in an integrated way and to make the most efficient use of resources to better meet the needs of our communities and improve on the prescribed national outcomes.

To discharge obligations under the Act, Orkney Islands Council and NHSO have agreed a body corporate model of integration authority and by virtue of the Integration Scheme, they established an Integration Joint Board (“the IJB”) which was formally constituted by Ministerial Order on 6th February 2016. (see Appendix 1)

The Act set out prescribed health and social care functions which had to be delegated to the new Integrated Authorities and allowed for further functions to be delegated by choice. Annex 1 and 2 of the Integration Scheme details these functions. An important point of detail is that some prescribed functions of the IJB have historically been provided by the Council, by Services other than OHAC e.g. housing adaptations and aids. It is the responsibility of Orkney Islands Council and NHSO to delegate the reciprocal budgets for these functions to the IJB. How the Partners determine these sums is set out in the Integration Scheme and supplemented by statutory guidance.

The IJB therefore now has responsibility for the strategic planning, overseeing the delivery of services, and allocating and managing the delegated budget in accordance with the Strategic Commissioning Plan.

### **Section A: Progress made and where we are now:**

The Integration Joint Board has sat in Shadow form since 31 July 2015 and took over from the Integration Programme Board in providing ultimate oversight of the integration project.

The IJB Officer Working Group, chaired by the Chief Officer, was responsible for overseeing the eight workstreams which were devised to cover all key actions required to deliver integration. Each workstream had been allocated workstream leads, who are Heads of Service or similar standing Officers from each parent organisation with relevant experience in that particular area.

Updates on the progress of each workstream were provided to the Shadow IJB through various mechanisms including completion of an Output Log, which detailed all key deliverables required to achieve integration.

A Project Risk Log was also developed and first instigated by the Integration Programme Board. Oversight of the Risk Log was passed to the IJB Working Group and updates were provided to each meeting of both the IJB Working Group and the Shadow IJB. The Risk Log was designed to capture both strategic and operational risks to delivery of the project.

Going forward, the governance arrangements of the IJB are detailed within the Integration Scheme which has been approved by the Scottish Government and which legally established the IJB as effective from 6th February 2016.

The IJB is supported by its Audit Committee, Clinical and Care Governance Group, Strategic Planning Group and the Joint Staff Forum.

Section 95 of the Local Government (Scotland) Act 1973 requires all local authorities, which includes IJBs, to have adequate systems and controls in place to ensure the “proper administration” of their financial affairs.

The IJB therefore has a clear requirement for its financial and performance management to include:

- A review, on a regular basis of its progress in year against its Strategic Plan;
- To understand the projected out-turn forecasts for its delegated resources;
- To reflect any financial pressures identified within its planning process for the next financial year.

The IJB will carry out financial and performance monitoring during its own board meetings in endeavouring to be open and transparent to the people of Orkney. This activity will be supported by a finance and performance officer working group who will scrutinise and report upon budget variances, in particular overspends, on a monthly basis for all services carried out by both the OIC and the NHSO. Scrutiny and Reporting will be akin to the OIC’s Budget Monitoring reporting procedures (BMR’s) which have also been adopted by the NHSO.

The IJB also has in place a Performance Framework which has been developed to provide information on current performance and to explore shifts in performance trends over time. The initial framework sets out the minimum planned performance indicators to be monitored and reported to the IJB over the first 12 months. It is planned that a review of the performance indicators will be carried out to further develop the framework by the relevant workstream during 2016/17.

The Integration Scheme also sets out the financial management arrangements of the IJB. The Integration Scheme is supported by the Financial Regulations of the IJB.

The indicative integrated budget for the 2016/17 financial year was based on the prior year budget and actual spend of Orkney Health and Care, with an increase to reflect additional services that will be devolved to the IJB.

In accordance with the Act, the IJB produced its Draft Strategic Commissioning Plan (the plan) as to how its delegated functions will be delivered in a more integrated manner based on locality arrangements specific to the Orkney Islands. A public consultation process was carried out on the Plan.

The Strategic Commissioning Plan was amended to take into account feedback from the public consultation, and was approved by the IJB on 21st March 2016. The Strategic Commissioning Plan was then endorsed by the Council on 24<sup>th</sup> March 2016.

The IJB had a statutory duty for the final Strategic Commissioning Plan to be available by 1<sup>st</sup> April 2016.

Whilst the Strategic Commissioning Plan approval, implementation and monitoring has been the responsibility of the IJB, it is recognised that a new integrated model for health and social care cannot be delivered overnight.

Successful integration requires not only new legal frameworks and the transfer of budgets, it also requires two separate and sometimes culturally distinct organisations to work in an integrated manner and the rethinking and redesign of traditional service delivery models. This can only be done incrementally over time.

**Section B: How it works****The legal framework**

The role and remit of the IJB is prescribed by the Act.

The relationship between the IJB, the Council and NHSO is governed by the Integration Scheme.

The IJB discharges all of its statutory responsibilities through its Chief Officer.

The IJB commissions the Council and / or NHSO to deliver the relevant operational services required to discharge the integrated functions by way of directions under S 26 of the Act (see appendix 2). This will include:

- i. how the function is to be delivered; and
- ii. the amount of and method of determining the payment to be made for the operational delivery of that function.

The Council and NHSO have dual roles in terms of the delegated functions:-

- i. each determines the budget to be delegated to the IJB in accordance with the provisions of the Integration Scheme and their respective budget setting frameworks for the integrated functions; and
- ii. are by virtue of the IJB Directions a commissioned provider of operational services.

The Chief Officer has a dual role:-

- i. The Chief Officer is directly accountable to the IJB for the discharge of all of its statutory responsibilities. These include: strategic planning, performance reporting, ensuring that IJB directions are being implemented, reviewing and recommending changes to the Strategic Plan and, ensuring IJB compliance to other legislative requirements (e.g. Data Protection, Freedom of Information, Equalities and Public Records etc.); and
- ii. By virtue of the Integration Scheme, the Chief Officer is also responsible for the operational management and performance of the delegated functions, with the exception of the limited delegated aspects of Acute Hospital Care Services. The IJB will have joint strategic planning responsibility for these limited Acute Care Services with NHS Orkney; the day to day responsibility for the operational delivery of the services within the hospital, remain with NHSO. The Chief Officer must retain an oversight of the operational delivery of these services however only in terms of their responsibility to implement the Strategic Plan.
- iii. In terms of the Chief Officer's operational role, they are directly accountable to the Chief Executives of the Council and NHSO. The Chief Officer will be a member of each of their senior management teams and as such will be subject to the usual lines of accountability in terms of operational performance and financial management.

The Council's Section 95 Officer also has a dual role:-

- i. establishing the budget to be delegated to the IJB as part of the budget setting process, in accordance with the terms of the Integration Scheme and statutory guidance; and
- ii. responsible for the financial management of the resources that are then re-allocated back to the Council by the IJB in support of the directions for operational delivery.

The Chief Finance Officer to the IJB is responsible for the due diligence and the financial governance in respect of the delegated budget. This includes:

- establishing financial governance systems for the proper use of the delegated resources including financial management, monitoring and reporting;
- ensuring that the Strategic Plan meets the requirement for best value in the use of the IJB's resources; and
- ensuring that IJB directions provide that the spending of the resources is in accordance with the Strategic Plan and responsibilities in terms of "following the public pound".

## **Accountability, scrutiny and assurance**

### **Orkney Islands Council**

From the viewpoint of the OIC, the role of the Council in terms of the integrated services is fundamentally shifting to that of a commissioned provider of services to the IJB.

The Integration Scheme details that in the event of recovery plans being unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the IJB. Any additional payments by the Council and NHSO may then be deducted from future years funding/payments.

As a result of this shifting role and potential obligation for the Council, Elected Members will be seeking different assurances going forward.

### **Integration Joint Board**

Work has been on-going to establish committees for clinical and care governance and audit. This is together with the underlying working groups that will report to them and also a Joint Staff Forum. To-date, the parent organisations have developed arrangements for two sub-committees: the Strategic Planning Group and the Clinical Care & Governance Group. The Strategic Planning Group has been formed to oversee development of the Strategic Commissioning Plan and it is attended by representatives of both parent organisations. In addition, it has been proposed that the remit of the existing NHS Quality & Information Committee will be extended to cover all clinical and care governance matters to be reported to the IJB and membership will include representation from the Council. Governance documentation has been put in place for both groups to provide guidance to Members on their remit and general operation.

Whilst the Chief Officer through their Integration Management Team has responsibility for delivering the operational services in accordance with the Strategic Plan, as the IJB does not employ staff, the Council (and NHSO) will continue to provide the workforce. The parent organisations will remain responsible for their respective Human Resources policies.

The Staff Partnership Forum is the forum where the Chief Officer and the recognised trade unions and professional organisations work together to inform Strategic Plan decisions to improve the wellbeing of the people who use health and social care services.

A number of workforce initiatives have been identified and included within the IJB's Organisational development plan 2015/16 and 2016/17.

The IJB is required to produce an annual performance report to be sent to the Council.

The IJB will also be subject to external scrutiny and review which will provide assurance to the Council as regards the IJB's performance in terms of improving on the national outcomes and achieving Value for Money. The external bodies which will have a scrutiny role are:-

- The Care Inspectorate
- Healthcare Improvement Scotland
- The Accounts Commission
- The Auditor General for Scotland

As part of their assurance process the Audit Committee will receive and consider any reports in respect of the IJB from external audit and other scrutiny and inspection bodies.

A diagram setting out the Elected Members Scrutiny Framework is included at Appendix 3

**Audit Findings****1.0 Governance**

1.1 At the time of this report an Information sharing protocol has been agreed to by the Council, NHSO and by the majority of the voluntary sector parties. There are several bodies who have not yet returned their signed agreements, and reminders have been issued to obtain these agreements.

1.2 It is recommended the information sharing protocol be approved by the remaining outstanding signatories as soon as possible, to ensure compliance with data protection legislation.

**Recommendation 1**

1.3 The terms of reference of the Audit Committee and its initial membership was approved by the IJB on 8th March 2016. The appointment of a Chief Internal Auditor and internal auditors has been loosely considered at an initial meeting and it is aimed to be further considered at the June meeting of the IJB. The Financial Guidance issued from the Integrated Resources Advisory Group (IRAG) of the Scottish Government suggests that internal audit services should be provided by the existing internal auditors of either the Council or NHSO.

1.4 Integration Joint Boards are required by law to comply with Article 7 of The Local Authority Accounts (Scotland) Regulations 2014 which states: *"7(i) A local authority must operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing"*. The IJB is currently not compliant with this legislation.

1.5 It is recommended that a Chief Internal Auditor and internal auditors are appointed by the IJB as soon as possible.

**Recommendation 2**

1.6 Audit Scotland's national report on health and social care integration dated December 2015 recommended that IJBs set out clear statements of the respective roles and responsibilities of the Boards and its members. Although professional roles will be performed by persons with suitable experience and qualification, formal role specifications have not been agreed by the IJB for all roles.

1.7 It is recommended that role specifications and obligations of Members and Officers to the IJB, including professionals, should be defined and agreed by the IJB, as per the guidance issued by the Scottish Government on "Roles, Responsibilities and Membership of the Integration Joint Board".

**Recommendation 3**

1.8 During the early stages of the Shadow IJB there was some uncertainty amongst staff over how cross-organisational issues would be resolved between the IJB and the parent organisations.

To address this issue, members of the IJB were provided with a development session by a Facilitator and consultant to IJBs. A further session will be provided in the current year as the IJB develops.

1.9 Within Clinical & Care governance a sub professional assurance framework is being developed which sets out how to raise issues if either party is concerned that IJB instructions conflicts with safe delivery. It is aimed for this document to be finalised in June. Board members are also aware of the dispute resolution process within the Integration Scheme.

**Audit Findings****Governance (Continued):**

- 1.10 IJB Members should continue to receive training and development opportunities to support them to understand their roles in the IJB.

**Recommendation 4**

- 1.11 The Orkney Integration Scheme at 8.2 states “that A Workforce Development Strategy and Action Plan developed by the Parties will be agreed by the Parties with the Integration Joint Board (Board) and maintained by the staff supporting the HR Strategic Management of the integrated service delivery that is under the direction of the Chief Officer including services delivered in localities”. Audit Scotland has identified that there is a pressing need for (IJB’s to carry out) workforce planning to show how an integrated workforce will be developed.
- 1.12 The IJB does not directly employ staff however the Orkney Staff Partnership Agreement between the OIC and NHSO provides a framework for partnership working between the IJB and all stakeholders with the aim of securing the best possible measure of co-operation and agreement on matters of mutual concern, and which will promote the best interests of the IJB and the staff of both organisations in the partnership.
- 1.13 It is recommended that a workforce development strategy and plans be produced and evolved between the partners in order to obtain efficient and joined up workforce planning.

**Recommendation 5****2.0 Finance Provisions**

- 2.1 At the time of the report, HM Revenue and Customs have not agreed to any special VAT arrangements for IJBs. The Council should ensure that its ability to recover VAT as part of its section 33 dispensation is not adversely impacted upon as a result of the IJB. It should ensure that the IJB does not cause significant “VAT leakage” i.e. an inability of the IJB to recover VAT.
- 2.2 It is recommended that the Chief Finance Officers of the Council and the IJB assess the potential level of VAT leakage as a result of the IJB and maintains a watching brief on Local and national discussions with HMRC and advises the IJB and the Council accordingly.

**Recommendation 6**

- 2.3 IRAG’s financial guidance is that the Chief Officer of the IJB, together with its Chief Finance Officer, supported by the Director of Finance of NHSO and the Section 95 Officer of the Council should ensure that all assumptions within the finalised IJB integrated budget are clearly articulated and that due diligence assurance work is carried out by the Chief Finance Officer and Chief Officer of the IJB.
- 2.4 The Integration Scheme provides for the first year budgets to be reviewed with due diligence against actual levels of expenditure for the previous 3 financial years utilising the joint arrangements already in place.
- 2.5 The Integration Scheme agreement further requires that an initial schedule of payments shall be agreed within the first 40 working days of each new financial year and may be updated taking into account any additional payments in-year. (NB: the term payment has been used to be consistent with legislation.)

**Audit Findings****Finance Provisions (continued)**

- 2.6 It is recommended that due diligence assurance is completed as specified in the guidance for integration financial assurance issued by IRAG and under the terms of the integration scheme agreement.

**Recommendation 7**

- 2.7 Service delivery remains the responsibility of the Council and the NHSO. The Council and the NHSO also have a potential obligation to make further payments to the IJB should overspends not be addressed by a recovery plan. From an OIC perspective, being commissioned to carry out £16.8m of services (as per the initial budget detailed in the Strategic Commissioning Plan for 2016-2019) is a significant level of activity which will require a continuation of the Council's budgetary monitoring procedures.
- 2.8 The Council retains all legislative responsibilities and duties to provide social work services as previously held under Orkney Health and Care. The Council is currently undertaking a governance review, this review includes a proposal relating to Health and Social Care Integration that "Relationship management and Council "policy" positions are through P&R" as are "Annual reports from IJB and CSWO".
- 2.9 There remains a requirement for the Council to ensure that it has proper governance processes in place for the operational delivery of these services. This includes scrutiny of financial performance, review of operational delivery and policy decision making.
- 2.10 As part of the governance review it should be considered by Council as to whether the proposed role for the Policy and Resources Committee provides the required level of scrutiny and is the appropriate decision making Committee for the delivery of services provided by the Council, commissioned by the IJB, or whether the Orkney Health and Care Committee continues to have responsibility for policy and scrutiny of the delivery of service.

**Recommendation 8**

- 2.11 The Orkney allocation of the £250m extra Scottish funding towards social care was set at £1.073m for 2016/17. There has been no clear formal notification that this will continue in future years. With over £2.000m of non-pay related service pressures in 2016/17 in addition to around £0.4m of pay pressures, the additional funding for social care is at risk of being insufficient. In addition to this the OIC and NHSO have indicated likely budget reductions of 4% and 6% respectively by year three of the Strategic Plan (2018/19).
- 2.12 The shortfall referred to at 2.11 combined with likely reduced budgets, increased demands on service including those to meet legislative requirements and an uncertainty of on-going Scottish funding all places considerable service pressures on the IJB.
- 2.13 It is recommended that the IJB develops a strategic based focus on future budget spending, i.e. identifying efficiencies or services which are at risk in order that the IJB continues to give the best possible service within available funding.

**Recommendation 9a**

**Audit Findings****Finance Provisions (continued)**

2.14 The risk register for the Shadow IJB has been completed. The risk register for the IJB is being processed through workstream leads.

2.15 It is recommended that funding and financial risks are identified and considered within the risk register of the IJB.

**Recommendation 9b**

2.16 Arrangements as to how Best Value will be obtained, measured and reported are to be finalised.

2.17 It is recommended that the Chief Finance Officer of the IJB develops and finalises how Best Value will be obtained and measured.

**Recommendation 10**

2.18 Scottish Government guidance is that predetermined financial metrics are identified and that these will be used in future to assess whether integration has met its objectives. The guidance also details that a process for obtaining baseline data is in place.

2.19 It is recommended that financial metrics for the use of assessing whether integration has met its objectives be developed together with a process for obtaining baseline data.

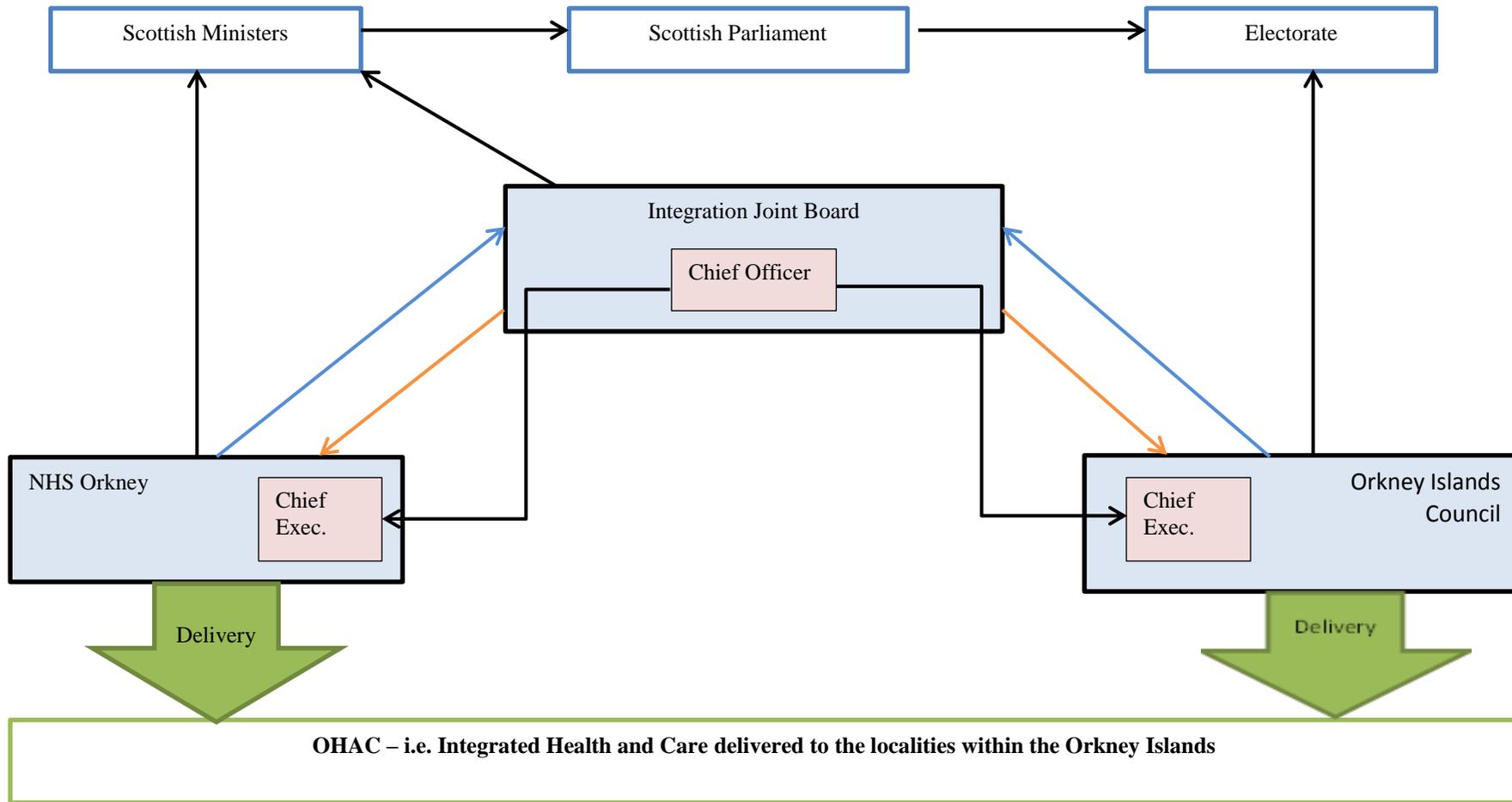
**Recommendation 11**

	Recommendation	Responsible Officer	Management Comments	Agreed Completion Date
	<b>Governance</b>			
1	The information sharing protocol should be signed by all signatories remaining bodies.  <b>High Priority</b>	Chief Officer IJB	11 signatures have been achieved to date, with reminders issued to third sector and GP colleagues in May 2016. This will continue to be followed up until all parties have signed.	30 June 2016
2	A Chief Internal Auditor and Internal Auditors should be appointed by the IJB at the June 2016 meeting.  <b>High Priority</b>	Chief Finance Officer IJB	An options paper is under development and will be submitted to the June meeting of the IJB with a recommendation for consideration.	29 June 2016
3	Role specifications and obligations of Members and Officers to the IJB, including professionals, should be fully defined and agreed by the IJB.  <b>High Priority</b>	Chief Officer IJB	Work is under way to develop role descriptors for IJB members with a report being prepared for the June meeting of the IJB for consideration.	29 June 2016
4	IJB Members should continue to receive training and development opportunities to support them to understand their roles in the IJB.  <b>Medium Priority</b>	Chief Officer IJB	Requires to be developed and delivered in collaboration with organisational development / training staff from OIC and NHSO. Will not have specific completion date as will be ongoing programme A measure of a delivery of a minimum of one more formal externally facilitated relevant development session during the year 2016/2017 is proposed in relation to this.	31 March 2017
5	A workforce development strategy and plans should be produced in order to obtain efficient and joined up workforce planning.  <b>High Priority</b>	Chief Officer IJB / OIC HR and NHSO HR	Requires to be developed and delivered in collaboration with organisational development / training staff from OIC and NHSO.	31 March 2017
6	The Chief Finance Officers of the Council and the IJB should assess the potential level of VAT leakage as a result of the IJB and maintain a watching brief on local and national discussions with HMRC to advise the IJB and the Council accordingly.  <b>High Priority</b>	Chief Finance Officer IJB & S95 Officer OIC	This will be discussed within the IJB working group on any potential VAT leakage.	30 Sept 2016 NB: this is not within local control and awaits national decisions which may be after the 30 Sept 2016

	Recommendation	Responsible Officer	Management Comments	Agreed Completion Date
	<b>Finance Provisions</b>			
7	Due diligence assurance should be completed on the IJB Budget as specified in the guidance for integration financial assurance issued by the Scottish Government and within the Integration scheme.  <b>High Priority</b>	Chief Finance Officer IJB	A draft report has been circulated and will be presented to the IJB Committee in June 2016.	29 June 2016
8	It should be considered whether the Orkney Health and Care Committee continues to have responsibility for policy and scrutiny of the delivery of service  <b>High Priority</b>	Chief Executive / Chief Officer IJB	Consideration of this aspect is linked to the Council's review of governance structure and outcomes will flow from that process.	30 June 2016
9a	The IJB should develop a strategic based focus on future budget spending.	Chief Finance Officer IJB	A medium term financial strategy shall be prepared for the Board following discussions with OIC and NHSO.	31 July 2016
9b	Funding and financial risks should be identified and considered within the Risk register of the IJB.  <b>High Priority</b>		The funding and financial risks are being identified and will be incorporated into the risk register.	
10	The Chief Finance Officer of the IJB should develop and finalise how Best Value will be obtained and measured.  <b>High Priority</b>	Chief Finance Officer IJB	Challenging and supporting decision makers by ensuring policy and operational proposals with financial implications will be signed off by the finance function.  Obtaining assurance on spending within services at the Finance and Performance Review group.	30 Sept 2016
11	Financial metrics for the use of assessing whether integration has met its objectives should be developed together with a process of obtaining baseline data.  <b>High Priority</b>	Chief Finance Officer IJB	The financial metrics shall be identified within the Finance Working group and measures shall be put in place to identify the required data.	30 Sept 2016

Appendix 1)

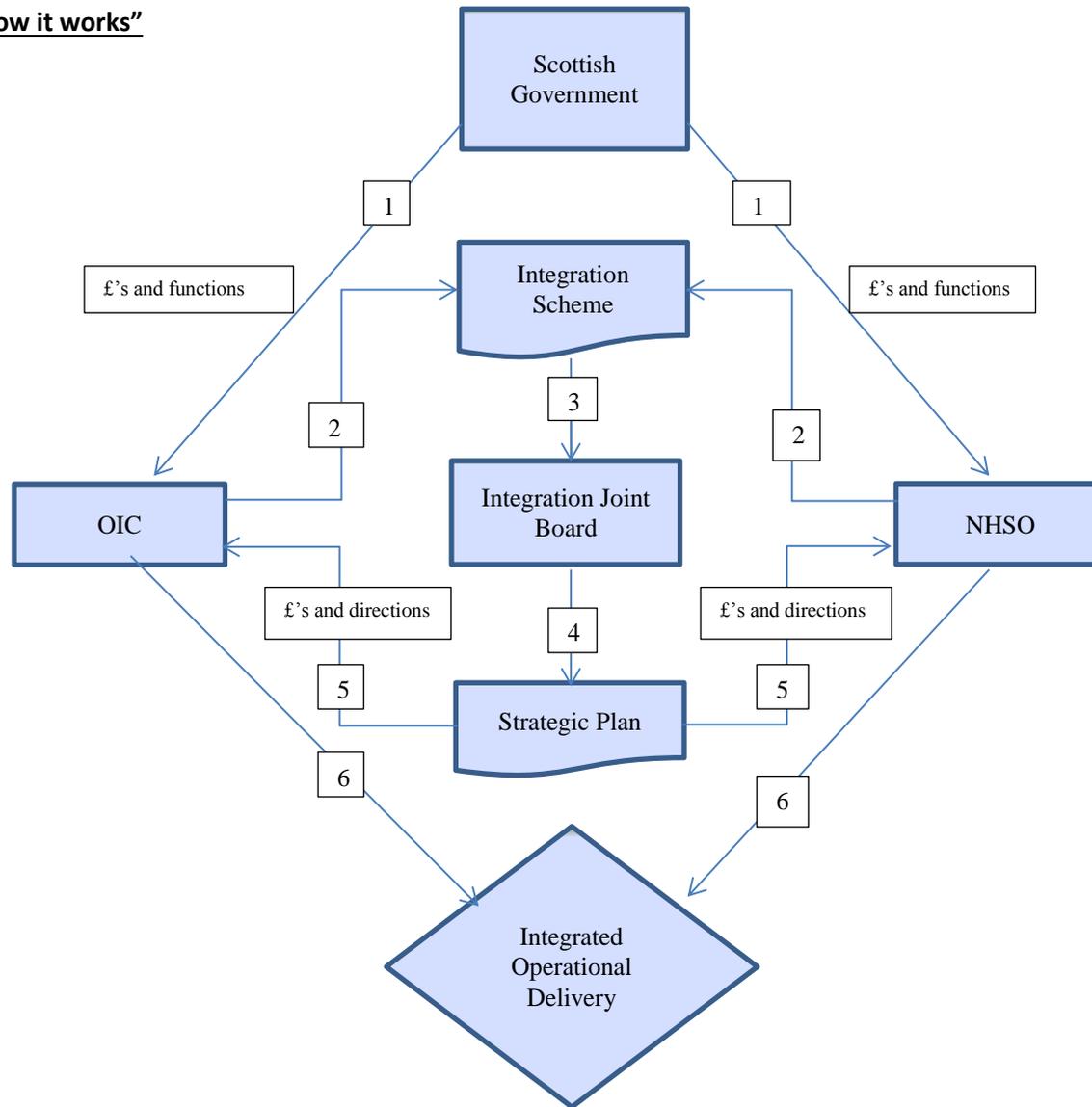
Body Corporate Model adopted by Orkney



Key: —> Accountability, —> Function and Resources —> Resources and Direction to deliver service.

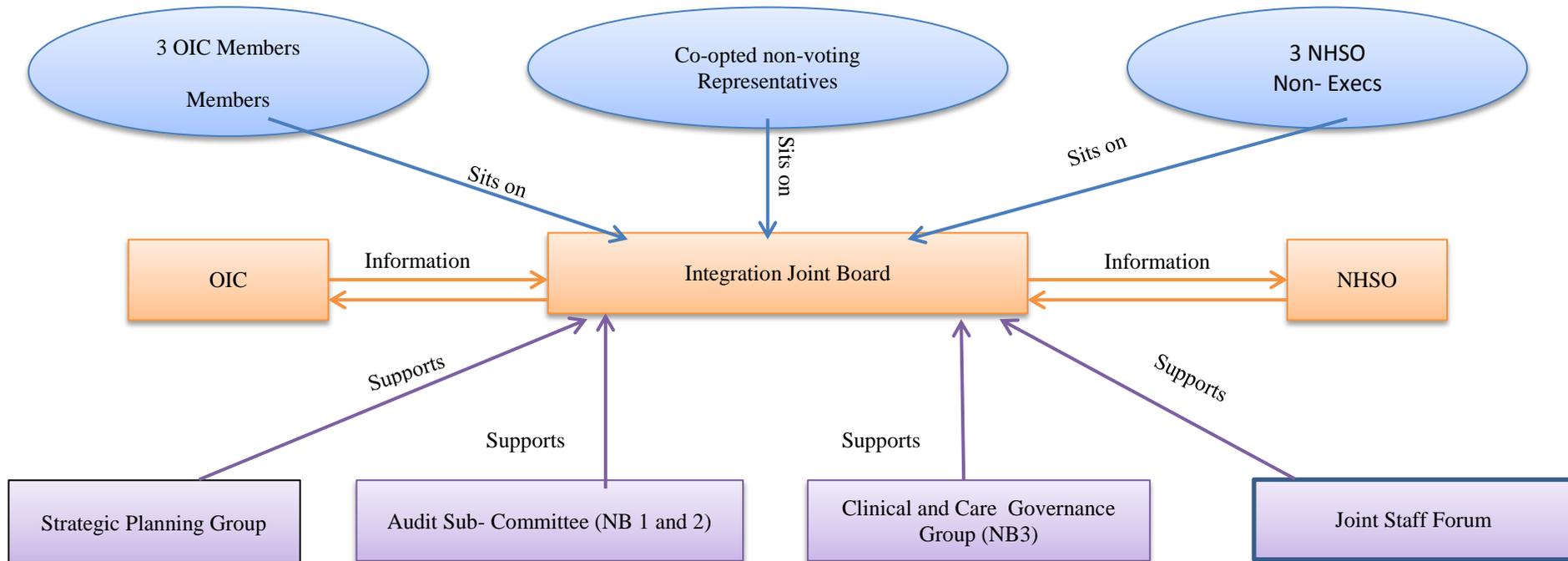
**Appendix 2**

**Integration Joint Board – “How it works”**



**Appendix 3**

**Orkney IJB – Elected Members Scrutiny Framework**



**Notes:**

NB1) OIC has in house internal audit. Scott Moncrieff provides internal audit services to NHSO.

NB2) Internal Auditor to the IJB have not yet been appointed.

NB3) the existing NHS Quality & Information Committee will be extended to cover all clinical and care governance matters to be reported to the IJB

**External Scrutiny of IJB**

- Care Inspectorate
- Health Improvement Scotland
- Accounts Commission
- Audit General for Scotland
- Scottish Ministers