

Midlothian IJB Audit and Risk Committee



10 June 2021 at 2pm

Midlothian Health and Social Care Integration Joint Board Annual Governance Statement 2020/21

Item number: 5.2

Executive summary

The purpose of this report is to present the draft Annual Governance Statement 2020/21 of the Midlothian Health and Social Care Integration Joint Board by the Chief Officer that will be published in the Annual Report and Accounts 2020/21.

The MIJB Audit and Risk Committee is therefore asked to:

- a) Consider the details of the Annual Governance Statement 2020/21 for the Midlothian Health and Social Care Integration Joint Board (Appendix 1) to ensure it reflects the risk environment and governance in place to achieve objectives, and acknowledges the actions identified by Management to improve internal controls and governance arrangements; and**
 - b) Approve that it be published in the Annual Report and Accounts 2020/21 of the Midlothian Health and Social Care Integration Joint Board.**
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Midlothian Health and Social Care Integration Joint Board Annual Governance Statement 2020/21

1 Purpose

- 1.1 The purpose of this report is to present the draft Annual Governance Statement 2020/21 of the Midlothian Health and Social Care Integration Joint Board by the Chief Officer that will be published in the Annual Report and Accounts 2020/21.

2 Recommendations

- 2.1 Members of the MIJB Audit and Risk Committee are asked to:
- a) Consider the details of the Annual Governance Statement 2020/21 for the Midlothian Health and Social Care Integration Joint Board (Appendix 1) to ensure it reflects the risk environment and governance in place to achieve objectives, and acknowledges the actions identified by Management to improve internal controls and governance arrangements; and
 - b) Approve that it be published in the Annual Report and Accounts 2020/21 of the Midlothian Health and Social Care Integration Joint Board.

3 Background

- 3.1 The Midlothian Integration Joint Board (MIJB), established as a separate legal entity as required by the Act, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Midlothian partnership area, based on resources which have been delegated to it by the partners, Midlothian Council and NHS Lothian.
- 3.2 The MIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The MIJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.
- 3.3 The MIJB approved a revised Local Code of Corporate Governance in April 2021, on recommendation by the MIJB Audit and Risk Committee, which helps to ensure proper arrangements continue to be in place to meet these responsibilities. The Local Code is consistent with the principles and requirements of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) which is deemed appropriate for the MIJB under the legislative framework for integration authorities.

- 3.4 Fundamentally, Corporate Governance is about openness, integrity and accountability. It comprises the systems and processes, and cultures and values by which the authority is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its communities.
- 3.5 The CIPFA/SOLACE Framework urges authorities to review the effectiveness of their existing governance arrangements against their Local Code, and prepare a governance statement and report compliance on an annual basis.
- 3.6 Part of the MIJB Audit and Risk Committee's remit within the MIJB Standing Orders is to review the annual governance statement prior to approval. This includes to 'Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives'¹.

4 Annual Governance Statement 2020/21

- 4.1 The Annual Governance Statement 2020/21 (Appendix 1), in compliance with the CIPFA/SOLACE Framework, provides details of the MIJB's Governance Framework, the annual Review of Framework undertaken, Improvement Areas of Governance, and Overall Opinion.
- 4.2 In terms of overall corporate governance it is the Chief Officer's opinion that, although there are a few areas of work to be completed for full compliance with the Local Code, the overall governance arrangements of the MIJB are operating satisfactorily. The Annual Governance Statement 2020/21 is informed by the work of Internal Audit, External Audit and Inspection agencies, and existing mechanisms embedded within both NHS Lothian and Midlothian Council.

5 Directions

- 5.1 There are no Directions implications arising from this report.

6 Equalities Implications

- 6.1 There are no direct equalities implications arising from this report.

7 Resource Implications

- 7.1 The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration and the approved Standing Orders to make sure that public business is conducted with fairness and integrity.
- 7.2 The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

¹ CIPFA guidance note for local authorities 'Audit Committees' (2018)

8 Risk

- 8.1 The Annual Governance Statement 2020/21 details areas where additional work would further enhance the internal control environment, or improve risk management, and corporate governance arrangements.
- 8.2 In addition to its own governance arrangements, the MIJB places reliance on the governance arrangements adopted by NHS Lothian and Midlothian Council, the partners. Where appropriate, existing mechanisms embedded within both NHS Lothian and Midlothian Council have been used to provide assurance to the MIJB.

9 Involving people

- 9.1 The MIJB Chief Officer, Chief Finance Officer and Integration Manager have undertaken the review of compliance with the 7 core principles of the updated MIJB Local Code of Corporate Governance, facilitated by Internal Audit. The findings and conclusions arising from all Internal Audit work carried out during the year to 31 March 2021 is included within the Internal Audit Annual Assurance Report 2020/21. These have been used to inform the MIJB Annual Governance Statement 2020/21.

10 Background Papers

- 10.1 Midlothian Integration Joint Board Local Code of Corporate Governance (approved by the MIJB on 8 April 2021); Internal Audit Annual Assurance Report 2020/21 (considered by the MIJB Audit and Risk Committee on 10 June 2021).

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DATE	27 May 2021
