

SURREY COUNTY COUNCIL INTERNAL AUDIT REPORT

Health & Wellbeing Board

2014/15

Prepared for: Susie Kemp, Assistant Chief Executive

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Glossary:

HWB	Health and Wellbeing Board
HWBS	Health and Wellbeing Strategy
BCF	Better Care Fund
ASC	Adult Social Care
CSF	Children Schools and Families
CCG	Clinical Commissioning Group
HSC	Health and Social Care

Audit opinions:

Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Significant Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

1. INTRODUCTION

- 1.1 The Health and Social Care Act 2012 establishes health and wellbeing boards as a forum where key leaders across the NHS and local government work together to improve the health and wellbeing of their local population and reduce health inequalities.
- 1.2 The Surrey Health and Wellbeing Board (HWB) comprises representatives from NHS commissioners, public health, social care, local councillors, Surrey Police, borough and district council and public representatives that work together to improve the health and wellbeing of people in Surrey. It was set up in accordance with the duties in the Government's Health and Social Care Act 2012, which took effect in April 2013.
- 1.3 The Board does not have its own budget and does not directly commission services as a collective. It does, however identify opportunities for collaboration and integration across organisations and is a place for challenge, discussion and the involvement of local residents.
- 1.4 The Board has a duty under the Health and Social Care Act 2012 to produce a Joint Strategic Needs Assessment which looks at the current and future health and care needs of Surrey's residents to inform the planning and buying of health, wellbeing and social care services.
- 1.5 The Board also has a duty to jointly produce a Health and Wellbeing Strategy. The evidence from the Joint Strategic Needs Assessment, along with the views of local people, helps to inform the strategy. The strategy will help with planning the delivery of joined up and integrated local services by collectively addressing the determinants of health and wellbeing.
- 1.6 The Health and Wellbeing Board is also responsible for approving the Better Care Fund programme for 2015/16. This will be considered in a separate Internal Audit review.
- 1.7 A review of the Health & Wellbeing Board was included as part of the 2014/15 Annual Audit Plan and was undertaken following agreement of the Terms of Reference included at Annex A. This report sets out the findings and recommendations of the review. The completed Management Action Plan accompanies this report as Annex B.

2. WORK UNDERTAKEN

- 2.1 Within this audit, the Auditor undertook the following assurance work:

- A review of the Terms of Reference and the work plan of the Health and Wellbeing Board to ensure compliance with the relevant section of the Health and Social Care Act 2012 (Chapter 7, Part 5, Chapter 2 - Local Government); and
- Consideration of the effectiveness of the Board's role in encouraging joint commissioning and integrating services across healthcare, social care and public health to deliver the priorities as set out in the Health and Wellbeing Strategy.

Discussions were held with key stakeholders in order to support this review and enable the Auditor to document the key functions of the Health and Wellbeing Board. The audit did not seek to provide an opinion on the development of the Health and Wellbeing Strategy from the Joint Strategic Needs Assessment.

3. OVERALL AUDIT OPINION AND RECOMMENDATIONS SUMMARY

- 3.1 The overall audit opinion following this audit is **Effective**: Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

3.2 **Recommendations analysis:**

Rating	Definition	No.	Para. Ref.
High	Major control weakness requiring immediate implementation of recommendation	0	-
Medium	Existing procedures have a negative impact on internal control or the efficient use of resources	0	-
Low	Recommendation represents good practice but its implementation is not fundamental to internal control	3	5.3.4 5.4.8 5.5.4
Total number of audit recommendations			3

4. MANAGEMENT SUMMARY

- 4.1 This review gives an opinion in respect of the role of the HWB in encouraging collaboration between its various partner members since its inception in April 2013 to end of November 2014.
- 4.2 The HWB has successfully agreed a Health and Wellbeing Strategy based on the initial Joint Strategic Needs Assessment. The Strategy comprises five key priorities. From review of the minutes the Auditor found that each of the five priorities has been discussed by the HWB and plans are in place for achieving the outcomes set in the priorities. As the priorities represent broad objectives the outcomes will only be achieved over the next three to five years. As a result, the Auditor is unable to determine the success in achievement of the priorities at this stage, however from a review of the minutes was able to establish that there was evidence of a collaborative working partnership between Public Health, Adult Social Care, Children's Services, CCG's, Boroughs and Districts and the Police.
- 4.3 The Auditor also attended the November 2014 HWB meeting and through observation found that there was a reasonable level of challenge and questioning of topics, concepts, ideas and interpretation from all the partners in attendance.
- 4.4 The Auditor noted from review of the Terms of Reference and membership of the Board that the HWB is complying with the HSC Act 2012. A detailed work plan has been established to ensure the key functions of the Board have been delivered
- 4.5 In view of the above findings, set out in more detail in Section 5 of this report, the audit opinion following this review is **Effective**.

5. FINDINGS AND RECOMENDATIONS

5.1 Review of terms of reference

Finding

- 5.1.1 The Constitution notes that the terms of reference of this committee "are subject to review and revision by the Board as may be necessary." HWB periodically reviews its terms of reference thus enabling the members to clarify the role, purpose and responsibilities of the Board as well as amend its duties in relation to changes in legislation and changing roles and expectations. These should be incorporated into its annual work plan ensuring that the terms of reference always reflect the actual functions and responsibility of the HWB.
- 5.1.2 It was noted that the terms of reference do not currently explicitly reference the role of the HWB in developing, agreeing, publishing and signing off the Better Care Fund. However, Article 8A of Part 2 of the Constitution, sections 1(i)-(iv) implicitly cover this duty through reference to the integrated working requirements with partner organisations and the need to encourage arrangements to be made under section 75 of the NHS Act 2006 with the provision of relevant services.
- 5.1.3 As such, the Auditor considers the terms of reference of the HWB to be robust and fit for purpose.

5.2 Quorum for attendance

Finding

- 5.2.1 From the Auditor's review of the 'Procedures' reflected within the terms of reference it was found that a quorum for attendance had not been formally documented. Enquiry with the Senior Manager-Cabinet, Committees and Appeals found that the quorum was 25%, and the legislative basis for this was Standing Order 48.2, which sets out the quorum requirements for council committees in line with section 102 of the Local Government Act 1972.

5.3 Nominated substitutes

Finding

- 5.3.1 The terms of reference requires statutory members to provide details "of one named substitute authorised by their organisation to attend Board meetings in the event of their absence. A list of the substitute members will be agreed by the Board and maintained as part of the administration of the body." The Auditor reviewed the list of substitutes and found that a substitute had not been named for 7 members, 5 of whom are elected members and thus exempt from the need to have named substitutes. This leaves 2 HWB members without named substitutes.
- 5.3.2 The requirement for a named substitute for statutory members ensures that a level of continuity is maintained for information to be transmitted to partner organisations in order to meet the joint objectives of the Board. Failure to agree a substitute member could also result in resolutions being passed without commitment from a partner member. The Auditor has calculated that based on the number of members of the

Board, the absence of all 5 elected members at one time would be unlikely to affect numbers necessary for a quorum.

Risk

5.3.3 Failure to establish a named substitute and absence of such a person at meetings could in theory result in resolutions being passed without fair representation by members. This could adversely affect the achievement of the key priorities set out by the Board.

Recommendation

5.3.4 The two Board members identified to Democratic Services should formally elect a named substitute to represent them at HWB meetings to ensure continuity in the collaborative function of the Board.

5.4 **Attendance at meetings**

Finding

5.4.1 The Board has a total of 17 statutory members and the standard quorum for attendance, as confirmed with the Senior Manager, Cabinet Committee and Appeals, is 25%. The Auditor independently performed a review of attendance at meetings from inception of the Board in April 2013 to November 2014 and found that all meetings were quorate (see also finding at paragraph 5.2.1). As this is a partnership Board, representation from all members is important to secure collaboration and close working in order to achieve the stated priorities.

5.4.2 Review of attendance at meetings identified the following:

- all statutory members were represented at the December 2013, April 2014 , June 2014 and September 2014 meetings;
- one statutory member was not represented at the September 2013 and February 2014 meetings;
- two statutory members were not represented at the April 2013, June 2013, March 2014 and November 2014 meetings; and
- three statutory members were not represented at the October 2014 meeting.

5.4.3 The terms of reference state that; "Board members will inform the Board, via the Committee Manager, in advance if they are unable to attend a full Board meeting and will make arrangements to ensure their named substitute attends and is provided with the support necessary to contribute to the meeting."

5.4.4 The Auditor compared the names of substitutes in attendance to the list of substitutes held on record and found that in five instances the substitute attending was not reflected on the list of substitutes. Further the Auditor found that in nine instances there was no attendance by the elected substitutes.

5.4.5 The impact of this could potentially result in resolutions being passed without the approval of all partners and therefore partners being unaware of expectations. Being a county council, membership includes representatives from all 6 Surrey CCG's, 3 representatives of Surrey Districts and Boroughs, the Chief Constable of Surrey Police, Directors of ASC, CSF and Public Health as well as Councillors for ASC and

Children and Families. The span of membership is reflective of the size of the County and for collaboration to be achieved representation at meetings is essential. Encouraging attendance by substitutes also ensures continuity is established by the members.

- 5.4.6 Whilst having a substitute is essential, the Board has adopted a practice of accepting substitutes speaking on behalf of the organisation but without voting rights. In order for the Chief Executives Forum be engaged with the discussions of the Board, representatives for the district and borough councils also attend meetings. One borough council had been sending a more junior officer as a substitute in this role, potentially weakening the overall engagement at Executive level. This issue is currently being addressed, however, and the Auditor does not therefore propose a recommendation.

Risk

- 5.4.7 Where resolutions are passed in the absence of a partner member, there is no certainty as to whether those partners will support a resolution which will impact on the achievement of the HWB's priorities.

Recommendation

- 5.4.8 The HWB should establish a complete list of substitutes and consider whether – in view of the diverse membership and the level of collaboration required between the members of the Board – individual meetings have sufficient representation of interests (a different issue to being quorate). This will ensure that a fair representation of partners will have the opportunity to vote on any resolutions passed.

5.5 **Key functions**

Finding

- 5.5.1 The Auditor noted that the Terms of Reference state that one of the functions and responsibilities of the HWB is "*Oversight of the commissioning expenditure across all health and social care organisations during its shadow period to ensure that the board is in a position to take responsibility for this expenditure from April 2013.*"
- 5.5.2 From discussion with key officers and review of the minutes, the Auditor can confirm that the HWB is not responsible for commissioning expenditure as this is the responsibility of the respective CCG's. The Terms of Reference should therefore be reviewed and amended accordingly to correctly reflect the actual role and responsibility of the Board.

Risk

- 5.5.3 The HWB members are not periodically updated of their roles and responsibilities under the HWB.

Recommendation

- 5.5.4 The key functions as stated in the Terms of Reference should present a true reflection of the functions and responsibilities of the HWB in having oversight of expenditure, but no commissioning role.

5.6 Declaration of interest

Finding

- 5.6.1 Declaration of interest forms are designed to identify and address both actual and perceived interest in accordance with the standard on independence and openness. The requirement for elected members to declare pecuniary interests is covered in the Code of Conduct for members. In addition, members of the Board are able to declare relevant interests at the start of committee meetings as a standing agenda item.
- 5.6.2 It was opined to the Auditor that a certain conflict of interest may be inherent in the CCG's remit as commissioners, increasing as their responsibility for primary care increases. There is a document from the Department of Health called "Managing Conflicts of Interest: Statutory Guidance for CCG's" which refers to the Health & Wellbeing Boards responsibilities in this respect.
- 5.6.3 As such, the Auditor does not perceive this to be a matter of significant risk.

6. ACKNOWLEDGEMENT

- 6.1 The assistance and co-operation of all the staff involved was greatly appreciated.

Health & Wellbeing Board - 2014/15

TERMS OF REFERENCE

Health & Wellbeing Board 2014/15

BACKGROUND

The Health and Social care Act 2012 establishes health and wellbeing boards as a forum where key leaders across the NHS and local government work together to improve the health and wellbeing of their local population and reduce health inequalities.

The Surrey Health and Wellbeing Board comprises representatives from NHS commissioners, public health, social care, local councillors, Surrey Police, borough and district council and public representatives that work together to improve the health and wellbeing of people in Surrey. It was set up in accordance with the duties in the Government's Health and Social Care Act 2012, which took effect in April 2013.

The Board does not have its own budget and does not directly commission services as a collective. It does, however, identify opportunities for collaboration and integration across organisations and is a place for challenge, discussion and the involvement of local residents.

The Board has a duty under the Health and Social Care Act 2012 to produce a Joint Strategic Needs Assessment which looks at the current and future health and care needs of Surrey's residents to inform the planning and buying of health, wellbeing and social care services.

The Board also has a duty to jointly produce a Health and Wellbeing Strategy. The evidence from the Joint Strategic Needs Assessment helps to inform the strategy, along with the views of local people. The strategy will help with planning the delivery of joined up and integrated local services by collectively addressing the determinants of health and wellbeing.

The Health and Wellbeing Board is also responsible for approving the Better Care Fund programme for 2015/16. This will be covered in a separate review.

PURPOSE OF THE AUDIT

The audit will provide the council's Audit and Governance Committee with assurance that Health and Wellbeing Board members are collaborating to understand their local community's needs and encouraging close working partnerships between the NHS, public health and social care to achieve the priorities identified in the Health and Wellbeing Strategy.

WORK TO BE UNDERTAKEN

Within this audit, the Auditor will undertake the following assurance work:

- a review of the Terms of Reference and the work plan of the Health and Wellbeing Board to ensure compliance with the relevant section of the Health and Social Care Act 2012 (Chapter 7, Part 5, Chapter 2 - Local Government);
- consider the effectiveness of the Boards role in encouraging joint commissioning and integrating services across healthcare, social care and public health to deliver the priorities as set out in the Health and Wellbeing Strategy.

Discussions will be held with key members in order to support our review and enable us to document the key functions of the Health and Wellbeing Board.

Health & Wellbeing Board - 2014/15

The audit will not provide an opinion on the development of the Health and Wellbeing Strategy from the Joint Strategic Needs Assessment.

OUTCOMES

The findings of this review will form a report to Surrey County Council management, with an overall audit opinion on the effectiveness of arrangements in place and recommendations for improvement if required. Subject to the availability of resources, and the agreement of the auditee, the audit will also seek to obtain an overview of arrangements in place for:

- Data quality and security;
- Equality and diversity;
- Value for Money, and
- Business continuity.

The outcome of any work undertaken will be used to inform our future audit planning processes and also contribute to an overall opinion on the adequacy of arrangements across the Council in these areas.

REPORT ARRANGEMENTS

Auditor:	Tasneem Ali
Supervisor:	David John, Audit Performance Manager
Reporting to:	Susie Kemp, Assistant Chief Executive

MANAGEMENT ACTION PLAN

Directorate:	Chief Executive's Office
Audit report:	Health & Wellbeing Board
Dated:	

PRIORITY RATINGS

Priority High (H) - major control weakness requiring immediate implementation of recommendation

Priority Medium (M) - existing procedures have a negative impact on internal control or the efficient use of resources

Priority Low (L) - recommendation represents good practice but its implementation is not fundamental to internal control

I agree to the actions below and accept overall accountability for their timely completion. I will inform Internal Audit if timescales are likely to be missed.

The auditor agrees that the actions set out below are satisfactory.

Lead Responsible Officer (HOS):

Auditor

Date

Date

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Officer Responsible	Audit Agree?
5.3.4	The two Board members identified to Democratic Services should formally elect a named substitute to represent them at HWB meetings to ensure continuity in the collaborative function of the Board.	Low	The two Board members will be contacted to request the names and contact details of their substitutes. The Board will then be notified at the next appropriate formal meeting.	End of March 2015	Bryan Searle	
5.4.7	The HWB should establish a complete list of substitutes and consider whether – in view of the diverse membership and the level of collaboration required between the members of the Board – individual meetings are have sufficient representation of interests (a different	Low	The list will be completed once the two Board members have nominated their substitutes, as per the action above. For practical reasons, the quorum will determine whether any	End of April 2015		

ANNEX B

MANAGEMENT ACTION PLAN

Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Officer Responsible	Audit Agree?
	issue to being quorate). This will ensure that a fair representation of partners will have the opportunity to vote on any resolutions passed.		decisions made are valid. If a meeting is quorate but a significant proportion of the membership is absent and the lack of representation is felt to be material to the outcome, consideration will be given to deferring the decision (subject to the need to meet statutory or other deadlines).			
5.5.4	The key functions as stated in the Terms of Reference should present a true reflection of the functions and responsibilities of the HWB in having oversight of expenditure, but no commissioning role.	Low	An amendment to be made to the terms of reference as follows: ‘to ensure that the board is in a position to take responsibility for the oversight of this expenditure from April 2013’.	End of June 2015		