

FINAL REPORT

**PERTH AND KINROSS IJB
INTERNAL AUDIT SERVICE**



ANNUAL INTERNAL AUDIT REPORT

2018/2019

Issued To: G Paterson, Chief Officer/Director – Integrated Health and Social Care
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Perth and Kinross Integration Joint Board Members
External Audit - KPMG

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ANNUAL INTERNAL AUDIT REPORT 2018/19

INTRODUCTION

1. The Integrated Resources Advisory Group (IRAG) guidance outlines the responsibility of the Integration Joint Board (the IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of arrangements for risk management, governance and control of the delegated resources.
2. This guidance states that the IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control.
3. Guidance issued in April 2017 requires IJBs to prepare their annual accounts and governance statements in accordance with Local Authority Accounts (Scotland) Regulations 2014. These regulations require an authority to:
 - i) be responsible for ensuring that the financial management of the authority is adequate and effective and that the authority has a sound system of internal control which:
 - (a) facilitates the effective exercise of the authority's functions; and
 - (b) includes arrangements for the management of risk.
 - ii) Conduct a review at least once in each financial year of the effectiveness of its system of internal control.
4. The CIPFA 'Delivering Good Governance' in Local Government Framework 2016 places a responsibility on the authority to ensure *additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control* is provided by the internal auditor.
5. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control. As Chief Internal Auditor, this annual report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2018/19.
6. This review examined the framework in place during the financial year 2018/2019 to provide assurance to the Chief Officer, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the IJB's objectives. It considered:
 - ✧ Corporate Governance
 - Clinical Governance
 - Staff Governance
 - Financial Governance
 - Information Governance

EXECUTIVE SUMMARY

7. The 2015/16 IJB Annual Internal Audit Report first recommended that accountability and responsibilities of the IJB in respect of all governance arrangements should be clarified and agreed by the IJB, and thereafter flow through to risk management and assurance arrangements. Whilst progress has been made, a number of matters remain outstanding; this is largely due to the complexity, sensitivity and difficulty of the issues as well as the capacity of the IJB to deliver governance changes whilst implementing substantial transformative change. We welcome the regular updates that have been provided on this to the Perth & Kinross (P&K) IJB Audit & Performance Committee (A&PC), including regular updates against the Transforming Governance Action Plan.
8. A range of governance developments identified within the IJB's own self assessment and through previous internal and external audit reports have not progressed as anticipated. We previously noted that the IJB was a developing organisation with necessarily emergent governance structures. However, after three years of operation, we would expect greater evidence of increasing maturity, recognising that historically, the lack of engagement and in some cases support by partners has been a significant impediment to progress.
9. We do however acknowledge that the IJB has been dealing with a number of complex issues including a significant financial shortfall as well as issues associated with Inpatient Mental Health Services and it has been a challenge for the organisation to drive the necessary transformational change within the available capacity as well as manage the business as usual. This is reflected in the lack of progress made in addressing the more challenging issues raised in previous internal audit reports. In these circumstances, an organisation needs to focus core activity on the areas of highest importance which can be most realistically delivered within available resources and management capacity.
10. From 1 April 2019, the new Chief Officer has taken up post. Developments during 2019/20 will be critical to provide the foundation for a sustainable future, including the new Strategic Plan and enabling strategies, including a Workforce plan and structures supporting delivery through service redesign. In addition, robust clinical & care governance arrangements will need to underpin this. We welcome the development of the 3 year Financial plan as well as the progress made for risk management arrangements.
11. The need for immediate governance improvements has crystallised through the publication of the Ministerial Strategic Group (MSG) for Health and Community Care *'Review of Progress with Integration of Health and Social Care, Final Report, February 2019'*, which shows that most of the problems we have identified locally are replicated across Scotland. The IJB submitted its response to this report to the SGHSCD in May 2019 with the majority of assessments being *'Partly established'*. It is hoped that the impetus created by the MSG report will create an environment in which significant and rapid progress may be achieved.
12. The IJB has produced a draft Governance Statement for 2018/19 which sets out a number of actions to further strengthen governance arrangements. A SMART action plan assigning realistic timescales and ownership should become central to activity. Crucially, the organisation will need to ensure leadership and management capacity is in place to support this wide range of work.

13. It is vital that the A&PC regularly monitors progress in implementing the actions arising for the MSG report combined with previously agreed governance actions, and is cognisant of the consequences of any non achievement to the overall control environment.
14. P&K IJB's relationship with both partner bodies has meant that the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement 2018/19 concludes that corporate governance was operating effectively throughout the financial year. P&K Council's draft Governance Statement concludes that governance arrangements and the system of internal control continue to be regarded as fit for purpose. This is accompanied by an Annual Internal Audit Report which concludes that reasonable reliance can be placed on the Council's risk management and governance arrangements, and systems of internal control for 2018/19, subject to management implementation of the agreed actions detailed in Internal Audit reports.
15. Whilst both contain some issues which are of interest to the IJB, neither would give rise to any requirement for consideration in the IJB's Governance Statement.

LIMITATION IN SCOPE

16. P&K IJB has recently been subject to a joint inspection by the Care Inspectorate and Health Improvement Scotland. The results of this inspection will generate further improvement actions although publication of the final report is not expected until mid 2019. Whilst we have therefore been unable to take account of its findings within our report, we would expect any additional findings to be reflected in the final governance statement for the IJB.

CONCLUSION

17. As Chief Internal Auditor, this annual report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2018/19.
18. Subject to the areas highlighted as requiring improvement, I have concluded that:

- **Reliance can be placed on the IJBs governance arrangements and systems of internal controls for 2018/19.**

19. In addition, I have not advised management of any concerns around the following:

- **Consistency of the Draft Governance Statement with information that we are aware of from our work;**
- **The format and content of the Governance Statement in relation to the relevant guidance;**
- **The disclosure of all relevant issues.**

ACTION

20. The IJB is asked to **note** this report in evaluating the internal control environment for 2018/19 and **consider** any actions to be taken on the issues reported for consideration.

INTERNAL CONTROL

21. FTF was appointed as the IJB's Internal Audit Service for 2018/19 in June 2018, with input and support from the P&K Council Internal Audit service and its Chief Internal Auditor. The Audit Committee has approved the Internal Audit Charter as well as a protocol for the sharing of audit outputs between the partner organisations.
22. We can confirm that FTF complies with the Public Sector Internal Audit Standards (PSIAS). During 2018/19 the NHS Tayside Internal Audit Service was externally quality assessed (EQA) by the Institute of Internal Auditors who concluded that FTF generally conforms to the International Professional Practice Framework (IPPF). An action plan to address the IIA recommendations is being monitored through the NHS Tayside Audit & Risk Committee. The P&K Council Internal Audit service undertakes an annual review of compliance with the Public Sector Internal Audit Standards, which was examined independently. The overall conclusion is that the Internal Audit Service fully conforms to the PSIAS.
23. The 2018/19 internal audit plan was approved by the September 2018 meeting of the IJB's A&PC. Whilst progress in reporting finalised products has been behind schedule, audit fieldwork work has been undertaken, in partnership with the Perth & Kinross Council Internal Audit Service, sufficient to allow the Chief Internal Auditor to provide his opinion on the adequacy and effectiveness of internal controls.
24. Perth & Kinross Heath and Social Care Partnership independently developed a robust governance self assessment including a library of supporting evidence based on the requirements of the CIPFA 'Delivering Good Governance in Local Government Framework 2016' and supporting guidance notes. This sets out a risk assessment as well as responsible officers and timescales for identified improvement actions. A high-level Transforming Governance Action Plan based on this assessment was originally developed at year end 2016/17 and continues to be monitored by the A&PC.
25. To inform our evaluation of the internal control framework, Internal Audit validated the assessments through discussion with management and examination of the supporting evidence and documentation.
26. Based on our validation work, we can provide assurance on the following key arrangements in place by 31 March 2019; and also comment on where further development is needed in 2019/20. Based on our assessment, we also recommend further issues for consideration by management.
27. Last year we recommended that the Transforming Governance Action Plan should be updated to include the further recommendations made within our internal audit annual report. These were monitored through the Audit recommendations update to the A&PC. There are now a number of additional sources of recommendations:
 - ◇ In February 2019, it was agreed that management would form an action plan to address the recommendations arising from the Audit Scotland report on Health and Social Care Integration.

- ◇ The IJB submitted its self assessment response including proposed improvement actions against the Ministerial Strategic Group (MSG) for Health and Community Care 'Review of Progress with Integration of Health and Social Care, Final Report, February 2019'
 - ◇ P&K IJB has recently been subject to a joint inspection by the Care Inspectorate and Health Improvement Scotland. The results of this inspection will generate further improvement actions although publication of the final report is not expected until mid 2019.
28. Taking account of the considerable duplication between the outcomes of the organisation's governance self assessment, our findings and those of the MSG, as well as the Audit Scotland HSCI report; where possible, all relevant findings from these reviews should be collated and monitored through a single SMART action plan.
29. It is vital that the A&PC continues to regularly monitor progress in implementing agreed actions and understands the consequences of any non achievement or slippage in the governance action plan in overall context
30. Our evaluation of the IJB's Governance Framework is summarised below.

A- Corporate Governance	
A1- Key arrangements in place as at year end 2018/19	
I.	We welcome the regular updates to the A&PC on the Transforming Governance Action Plan.
II.	P&K IJB has undertaken a self assessment against the proposals contained in the MSG for Health and Community Care ' <i>Review of Progress with Integration of Health and Social Care, Final Report, February 2019</i> '. A report on the outcome of this exercise is planned to be reported to members in June 2019. The majority of areas have been assessed as 'Partly established' and improvement actions agreed with Perth & Kinross Council and NHS Tayside.
III.	A draft Governance Statement has been prepared for 2018/19 as part of the annual accounts process and will be presented to the A&PC in June 2019. Identified areas for development flow from the organisation's own governance self assessment process and agree with those previously identified by Internal Audit as well as the MSG self assessment. They were also cross referenced to the Audit Scotland report as well as the HSCI Governance principles agreed by NHS Tayside Audit Committee in December 2017.
IV.	The Chief Officer provides a strategic update to each IJB meeting on work ongoing across the HSCT for information in between formal reports. While the June 2018 IJB meeting requested that this be based on a forward planner for the IJB, this is not yet in place.
V.	Our review of IJB agendas, minutes and papers showed that in this third year of operation, the main focus of the IJB was on developing strategic objectives as well as the financial position.
VI.	P&K IJB's Annual Performance report 2017/18 was considered at a special meeting of the A&PC in July 2018. This shows that the IJB generally performed in line with or better than the Scottish average except in relation to Readmissions to Hospital within 28 days, the Falls rate per 1,000 population

	age 65+ and the Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency. However, the report identified 7 out of 19 indicators where performance has deteriorated against previous results.
VII.	The 2017/18 Annual Performance Report set out the key arrangements in place within the IJB which support each Best Value characteristic.
VIII.	Revised terms of reference for the A&PC were approved in November 2018 and strengthened and widened the committee's remit, especially in relation to performance and governance arrangements. The committee received regular updates on the Transforming Governance Action plan and progress updates against the further development of risk management arrangements. We welcome the regular reporting updating members on progress against Audit recommendations.
IX.	The Chair of the A&PC provides verbal updates to the full IJB.
X.	An Equality Outcomes Progress report was received by the IJB in June 2018 for information.
XI.	Standing Orders were reviewed and updated in September 2018.
XII.	Members have received induction training and development presentations have been provided including specifically several on the financial position and budget development.
A2 – Planned and ongoing developments	
Many of these areas have been identified as requiring development for a number of years but remain outstanding.	
I.	Review of corporate support arrangements remains outstanding. We would highlight that capacity has restricted the potential for further development in a number of governance areas.
II.	In February 2019, it was agreed that management would develop an action plan to address the recommendations arising from the Audit Scotland report on Health and Social Care Integration.
III.	Internal Audit report PK05/18 - Strategic Planning concluded that the IJB and its partners are facing major financial challenges and it is recognised that achieving financial balance is reliant on the delivery of a very significant transformation and efficiency programme. Sustained improvement and financial sustainability will not be achieved without setting clear strategic direction. Following the delay in the production of the new Strategic Plan for 2019 onwards, PK05/18 makes recommendations in relation to the completion of the Strategic Plan to identify key objectives and priorities consistent with the workforce development plans, financial sustainability planning and also operational plan as well as appropriate stakeholder engagement.
IV.	We previously reported that <i>'A refreshed structure and approach to strategic planning was approved in January 2018. Further details on the remits, memberships and reporting structures to support the development of the refreshed plan have yet to be reported to the IJB. The next improvement action plan update to be provided in June 2018 describes the move to a Care Programme Board structure including performance framework and</i>

	<p><i>programme budgets.</i> Whilst remits for the Programme of Care Boards have been discussed by the IJB these are yet to be finally agreed.</p>
V.	<p>Considerable progress on risk management arrangements was made during the year and the Risk Register and revised Risk Management framework were approved in November 2018. The February A&PC also received a strategic risk management update showing the organisation's strategic risks including information on current controls and treatment actions, but not assurances. Work is ongoing across the three Tayside partnerships to update and enhance risk management arrangements especially in relation to processes for ownership, identification and escalation of risk between the IJBs and their partners. Internal Audit has reviewed risk management arrangements separately and detailed recommendations will be made in this report.</p>
VI.	<p>The February 2019 A&PC was the first to receive a corporate performance report and a quarterly performance report from a Programme of Care Board (Older people and Unscheduled Care). There has therefore not yet been comprehensive reporting providing an overview of performance against the national health and wellbeing outcomes as well as progress towards the achievement of the organisation's strategic objectives. Reporting received includes data and narrative explaining the position but not yet information on remedial action where performance is off track. Planning work is underway for an internal audit review of performance management arrangements which will make detailed recommendations on this area.</p>
VII.	<p>In line with the national picture, work in relation to further clarification in relation to Large Hospital services and set aside budget remains outstanding and remains a concern. In its response to the MSG report, P&K stated that it plans to ensure that the Older People and Unscheduled Care Board is able to take the leadership in shifting the balance of care.</p>
VIII.	<p>No formal directions were issued for 2018/19. We evidenced discussions as part of the development of the 2019/20 financial plan for the Chief officer to issue directions for 2019/20 based on budget agreed. Management has informed us that workshops have taken place for the executive management team on the use of directions. The committee report template now includes a section on directions to ensure clarity where the IJB is asked to make a decision.</p>
IX.	<p>An annual report of the A&PC for 2018/19 will come to the June 2019 IJB including a self assessment.</p>

A3- Recommended further issues for consideration by management

Many important governance areas where we would further development is required have already been identified by management and are included in the Transforming Governance Action Plan.

The following additional internal audit recommendations from previous annual reports remain extant:

- I. We have previously recommended that the Audit Committee considers the governance principles adopted by the HSCI Governance working group and ensures that they are taken forward within the IJB, in partnership with both parent bodies. These principles are still very much relevant in the light of the MSG proposals and we welcome the fact that these principles were considered as part of the Governance Self Assessment exercise. Any

<p>changes in governance processes arising from this work should be incorporated into the next updates of Standing Orders, Scheme of Delegation and Standing Financial Instructions.</p>
<p>II. Whilst meetings are recorded and available publically, minutes of P&K IJB and A&PC meetings are minimalist and do not provide a record of discussions, questions asked and assurances provided which would allow interested parties, including Board members not in attendance, a fuller understanding of the issues.</p>
<p>We also make the following additional recommendations arising from this year's review:</p>
<p>III. Alongside the Governance improvement plan, the IJB should be provided with assurance that sufficient capacity and organisational structure is in place to support the planned work.</p>
<p>IV. Without transformational change, the IJB will not be able to achieve financial balance and sustainability. Our review showed that the previous section of the IJB agenda on 'Redesigning Care' is no longer included. Reporting on transformational change to the IJB should reflect its importance to the IJB, focused on providing an overall picture of progress and risks to delivery.</p>
<p>V. The P&K IJB Integration Scheme sets out that the IJB is responsible for the operational oversight of hosted services. For P&K IJB, this includes Inpatient Mental Health Services. Whilst not recorded as a strategic risk to the organisation at the time of our report, this area clearly represents a complex challenge to the organisation but has not featured prominently in the business of the IJB and A&PC during 2018/19. We would recommend a clearer link between the organisation's highest financial and strategic risks and reporting received.</p>
<p>VI. Management has informed us that performance management arrangements for services hosted by P&K IJB are to be aligned with relevant programme boards and reported through them to the A&PC. It is not clear how P&K IJB will receive assurance on services hosted by the other two Tayside IJBs as they relate to its citizens. We have previously recommended that risk & performance management arrangements should be included in any further work on the implementation of the Hosted Services Memorandum of Understanding.</p>
<p>VII. Detailed recommendations on risk management and performance management will be made by Internal Audit within the respective Internal Audit reports.</p>

<p>B- Clinical & Care Governance/ Financial Governance/ Staff Governance/ Information Governance</p>
<p>B1- Key arrangements in place as at year end 2018/19</p>
<p>I. Complaints are now monitored as part of the corporate performance report by the A&PC.</p> <p>II. The September 2018 IJB received the Adult Protection Committee's biennial report 2016-2018. This report provides assurance that <i>'the Committee has, over the last two years, been developing greater oversight of the needs of</i></p>

	<i>adults at risk and understanding about areas for improvement. An improvement plan has been developed for 2018 – 2020’.</i>
III.	In February 2019, the Chief Social Work Officer delivered her annual report for 2017/18.
IV.	On an annual basis the IJB has to formally agree a devolved budget with Perth & Kinross Council and NHS Tayside. The June 2018 IJB was updated on the development of the 2018/19 Financial Plan at which point a £1M gap remained as well as setting out further financial risks with a potential impact of £4M. In September 2018, members were informed of the potential financial implications for the partner bodies. It is not explicit from a review of the minutes of the IJB whether this constitutes the final budget agreed for the year. However, we welcome the development of a three year Financial plan a 2019/20 financial plan for the core services provided by the IJB was approved in March 2019. This included transformation and efficiency alongside their Impact Analysis and Risk Assessment although a £2.8M gap remains.
V.	Financial updates were regularly reported to the IJB and included year end forecasts, information on savings delivery and the reserves position.
VI.	Based on the most recently reported financial position, an overall overspend position of £1.559m is forecast for year end. This reflects a significant overspend in Inpatient Mental Health Services (Hosted Services) and GP prescribing as well as Adult Social Care Services.
VII.	A Data Protection Officer has been appointed for the IJB, as well as a Data Protection Policy and associated action plan.
B2- Planned and ongoing developments	
Many of these areas have been identified as requiring development for a number of years but remain outstanding.	
I.	Financial plans for those services not covered by the Core Services budget approved in March 2019 are planned for presentation to the IJB in June 2019.
II.	Internal audit followed up recommendations arising from PK05/17. A number of actions remain ongoing and further changes have been made to the structure and format for reporting. However, our follow up work showed that little substantive progress has been made and the flow of assurance was not operating effectively. PK04-19 - Follow Up of PK07/17 - Clinical, Care & Professional Governance will report on this area separately.
III.	The establishment of a new Clinical, Care & Professional Governance Committee (CCPGC) was agreed and terms of reference approved in October 2018. However, this committee had not met by year end.
IV.	An annual report for the R2 forum had not yet been prepared at the time of our fieldwork but we did not evidence sufficient work to allow the group to conclude positively on clinical and care governance arrangements in place for the year.
V.	The June 2018 A&PC was informed that an inspection of Prisoner Healthcare had taken place and the October 2018 IJB was verbally informed that the A&PC had received an update in relation to this. The A&PC received the associated improvement plan in November 2018. We note with concern the lack of reporting through clinical and care governance channels identifying and mitigating against risks in this area both before and after the inspection.

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| <p>VI. The P&K Integration Scheme is ambiguous on the risk sharing arrangements for overspends from year 3 onwards and at the time of our fieldwork, no formal resolution of this situation had been reported to members.</p> <p>VII. The November 2018 IJB was updated on the development of a Joint Workforce Plan which is planned for approval during 2019/20. We note the delay in developing this fundamental enabling strategy with concern.</p> |
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<p>B3- Recommended further issues for consideration by management</p>
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<p>Many important governance areas where we would expect further development have already been identified by management and are included in the Governance Self Assessment and/or the MSG response. We would however highlight the following high priority areas where further action is urgently required during 2019/20:</p>
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| <p>VIII. Clarification of the financial risk sharing agreement;</p> <p>IX. Development and implementation of the workforce plan;</p> <p>X. Implementation of essential Clinical and Care Governance arrangements: Detailed recommendations in relation to this will be set out in Internal Audit report PK04/19 which will require senior leadership attention.</p> |
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ACKNOWLEDGEMENT

31. On behalf of the Internal Audit Service I would like to take this opportunity to thank the Chief Officer and Chief Finance Officer of the IJB as well as staff within the partnership for the help and co-operation extended to Internal Audit throughout the year.

A Gaskin, BSc. ACA
Chief Internal Auditor

Ref.	Finding	Audit Recommendation	Priority	Management Response/ Action	Action by/Date
1.	<p>Last year we recommended that the Transforming Governance Action Plan should be updated to include the further recommendations made within our internal audit annual report. These were monitored through the Audit recommendations update to the A&PC. Many areas remain outstanding and there are now a number of additional sources of recommendations:</p> <p>In February 2019, it was agreed that management would form an action plan to address the recommendations arising from the Audit Scotland report on Health and Social Care Integration.</p> <p>The IJB submitted its self assessment response including proposed improvement actions against the Ministerial Strategic Group (MSG) for Health and Community Care 'Review of Progress with Integration of Health and Social Care, Final Report, February 2019'</p> <p>P&K IJB has recently been subject to</p>	<p>Taking account of the considerable duplication between the outcomes of the organisation's governance self assessment, our findings and those of the MSG, as well as the Audit Scotland HSCI report; where possible, all relevant findings from these reviews should be collated and monitored through a single SMART action plan.</p> <p>Specifically, the following areas should be covered by this single SMART Governance Improvement action plan and have not been duplicated in a separate action in this report:</p> <ul style="list-style-type: none"> • Corporate and other support arrangements to address overall IJB capacity; • Completion of the new Strategic Commissioning Plan and developing the Programme of Care Board structures • Performance management arrangements • Large Hospital Services and Set Aside Budget; 	1	<p>In response to Audit, MSG self-evaluation and the joint inspection, we will develop an Action Plan with SMART objectives in relation to areas for improvement.</p> <p>We will consider and allocate corporate support resources and capacity and provide greater role clarity and accountability through our restructure.</p> <p>We will develop actions to address these specific recommendations and report accordingly to the relevant Committees and the IJB.</p>	<p>Chief Officer 30/9/2019</p> <p>Chief Officer 31/3/2020</p> <p>Chief Officer 30/9/2019</p>

a joint inspection by the Care Inspectorate and Health Improvement Scotland. The results of this inspection will generate further improvement actions although publication of the final report is not expected until mid 2019.

- Use of Directions;
- Induction and development for members;
- Clarification of the financial risk sharing agreement;
- Workforce plan and associated implementation;
- Implementation of improved Clinical and Care Governance arrangements.

2. A range of governance developments identified within the IJB's own self assessment and through previous internal and external audit reports have not progressed as anticipated. We do however acknowledge that the IJB has been dealing with a number of complex issues and capacity has restricted the potential for further development in a number of governance areas. In these circumstances, an organisation needs to focus core activity on the areas of highest importance which can be most realistically delivered within available resources and management capacity.

Alongside the Governance improvement plan as per Action point 1. above, the IJB should be provided with assurance that sufficient capacity and organisational structure is in place to support the planned work.

2 We will consider and allocate Corporate Support resources and capacity and provide greater clarity and accountability through our restructure.

Chief
Officer
31/3/2020

3.	We have previously recommended that the Audit Committee considers the governance principles adopted by the HSCI Governance working group and ensures that they are taken forward within the IJB, in partnership with both parent bodies. These principles are still very much relevant in the light of the MSG proposals and we welcome the fact that these principles were considered as part of the Governance Self Assessment exercise.	Any changes in governance processes arising from this work should be incorporated into the next updates of Standing Orders, Scheme of Delegation and Standing Financial Instructions.	3	Agreed	Chief Financial Officer 30/9/2019
4.	Whilst meetings are recorded and available publically, minutes of P&K IJB and A&PC meetings are minimalist and do not provide a comprehensive record of discussions, questions asked and assurances provided, which would allow interested parties, including Board members not in attendance, a fuller understanding of the issues.	Good governance principles should be applied to ensure that the IJB and A&PC minutes and papers provide a full and accurate account of the business undertaken and the assurances and challenges at each meeting. documentation should be sufficiently detailed to ensure members receive sufficient information to identify key issues and areas of concern.	2	Consideration to more detailed minutes will be given.	Secretary to the Board 30/9/2019
5.	Without transformational change, the IJB will not be able to achieve financial balance and sustainability. Our review showed that the previous section of the IJB agenda on 'Redesigning Care' is no longer included.	Reporting on transformational change to the IJB should reflect its importance to the IJB, focused on providing an overall picture of progress and risks to delivery.	2	The Strategic Delivery Plans for each Care Programme will set out programmes of transformation and progress will be provided through regular reporting on each programme to the Board. Individual transformation	Chief Officer Ongoing

			Business Cases will be b/f to the IJB.		
6.	The P&K IJB Integration Scheme sets out that the IJB is responsible for the operational oversight of hosted services. For P&K IJB, this includes Inpatient Mental Health Services. Whilst not recorded as a strategic risk to the organisation at the time of our report, this area clearly represents a complex challenge to the organisation but has not featured prominently in the business of the IJB and A&PC during 2018/19.	We would recommend a clearer link between the organisation's highest financial and strategic risks and reporting received.	2	A schedule of reporting on Inpatient Mental Health Services to the IJB will be developed and agreed with the Chair/Vice Chair.	Chief Officer 30/6/2019
7.	Management has informed us that performance management arrangements for services hosted by P&K IJB are to be aligned with relevant programme boards and reported through them to the A&PC. It is not clear how P&K IJB will receive assurance on services hosted by the other two Tayside IJBs as they relate to its citizens.	We have previously recommended that risk & performance management arrangements should be included in any further work on the implementation of the Hosted Services Memorandum of Understanding.	3	A schedule of reporting on services hosted by Dundee and Angus IJB's will be agreed with the Chair/Vice Chair.	Chief Officer 30/6/2019
8.	PK05/18 makes recommendations in relation to the completion of the Strategic Plan to identify key objectives and priorities consistent with the workforce development plans, financial sustainability planning and	These recommendations have not been replicated in this action plan and should be monitored through the Audit Recommendations Update to A&PC.	3	Agreed	Chief Officer Ongoing

also operational plan as well as appropriate stakeholder engagement.

Detailed recommendations on risk management and performance management will be made by Internal Audit within the respective Internal Audit reports.

Implementation of essential Clinical and Care Governance arrangements: Detailed recommendations in relation to this will be set out in Internal Audit report PK04/19 which will require senior leadership attention.