



PERTH AND KINROSS INTEGRATION JOINT BOARD

31 AUGUST 2022

AUDIT AND PERFORMANCE COMMITTEE ANNUAL REPORT 2021-22

Joint Report by Chair of Audit & Performance Committee and the Head of Finance & Corporate Services
(Report No. G/22/113)

PURPOSE OF REPORT

This report is the Annual Report of the Perth & Kinross Integration Joint Board's (IJB) Audit and Performance Committee and summarises the work of the Committee during the year 2021/22.

1. RECOMMENDATION(S)

It is recommended that the Integration Joint Board:

- notes the contents of this Annual Report for the year 2021/22;
- acknowledges the input provided to the Audit and Performance Committee from its members and those supporting the Committee;
- considers the performance and effectiveness of the Audit and Performance Committee for the year 2021/22.

2. BACKGROUND

The Audit and Performance Committee was established in 2016 (report G/16/160 refers) to ensure that the Integration Joint Board (IJB) met its responsibilities for governance under the Integrated Resources Advisory Group (IRAG) guidance.

Following this approval, the Audit and Performance Committee first met on 28 October 2016 and has met regularly since then. An update on the business of the Committee is routinely provided by the Chair to the main IJB meetings.

The purpose of the Audit and Performance Committee is to 'provide independent assurance on the adequacy of the risk management framework, the internal control environment, and the integrity of the financial reporting and annual governance processes. The Committee is also required to scrutinise performance and best value arrangements.

The Terms of Reference include a requirement for the Audit and Performance Committee to 'provide the IJB with an annual report summarising its conclusions from the work it has done during the year and providing an opinion on the adequacy and effectiveness of the systems of internal control. The Committee shall review its own effectiveness yearly through self-assessment against its duties and report the results to the IJB.

This is the fourth Audit and Performance Committee Annual Report.

3. REPORTS CONSIDERED BY THE IJB AUDIT AND PERFORMANCE COMMITTEE – JUNE 2021 TO MARCH 2022

The Terms of Reference for the IJB's Audit and Performance Committee states that the Committee meet at least 3 times each financial year. In 2021/22 the Committee met 5 times. Attendance at these meetings is detailed at Appendix 1.

From June 2021 to March 2022 the Committee considered the following:

Item	Jun 21 st 2021	Aug 2 nd 2021	Sep 13 th 2021	Dec 13 th 2021	Mar 7 th 2022
Governance & Assurance					
Strategic Risk Management Update	✓		✓	✓	✓
Partnership Improvement Plan	✓		✓	✓	✓
Audit Recommendations Update	✓		✓	✓	✓
Internal Audit Annual Report and Assurance Statement	✓				
Appointment of Internal Auditors 2022/25					✓
Internal Audit Reports 2019/20:					
• Financial Risks	✓				
Internal Audit Reports 2020/21:					
• Improvement Actions PKIJB 20-01	✓				
• Corporate Support PKIJB 20-02				✓	
• Provider Sustainability Payments	✓				
Internal Audit Strategy and Plan 2021/22	✓				
Internal Audit Plan Progress Report	✓		✓	✓	✓
External Audit Strategy					✓
External Audit – Proposed Audit Fee 2021/22					✓
External Audit Annual Report 2020/21			✓		

Performance					
Locality Update:					
• South Locality					✓
• Perth City Locality				✓	
HSCP Key Strategic Performance Indicator Quarterly Report	✓		✓	✓	✓
Annual Performance Report		✓			

Annual Accounts					
Annual Governance Statement	✓				
Unaudited Annual Accounts 2020/21	✓				
Audited Annual Accounts 2020/21			✓		

Item	Jun 21 st 2021	Aug 2 nd 2021	Sep 13 th 2021	Dec 13 th 2021	Mar 7 th 2022
Letter of Representation to External Audit			✓		
Assurances Received from Partners			✓		

Clinical and Care Governance					
NHS Tayside Care Governance Committee Minutes				✓	✓
Perth & Kinross HSCP Clinical and Care Governance Update Report				✓	✓
Clinical Care Governance Risk Escalation Report				✓	✓
Chief Social Work Officer Annual Report 2021/22					✓

For Information					
Audit & Performance Committee Record of Attendance	✓	✓	✓	✓	✓
Audit & Performance Committee Work Plan	✓	✓	✓	✓	✓

From the above it can be seen that activity includes:

- Regular items including Audit Recommendations Update;
- Reports in respect of year end assurances and Annual Accounts;
- Regular reporting on Internal Audit activity; the annual plan and progress reports on the plan;
- Regular reporting on areas such as strategic risk management and performance, including specific financial performance reports;
- Ad hoc reporting from service areas such as locality updates;
- Clinical and Care Governance assurance.

The Terms of Reference for the Audit and Performance Committee were last revised and approved in September 2021. The primary amendment in September 2021 concerned the addition of a duty for the Committee to “review assurances provided from NHS Tayside and Perth & Kinross Council as to the effectiveness of their governance arrangements and systems of internal controls including Clinical Care Governance”. These updated Terms of Reference are included at Appendix 3.

Self-Assessment Findings

The members of the Committee have, as part of preparing this Annual Report, performed a self-assessment on the performance of the Committee. This is attached at Appendix 2.

Areas where progress has been made over the year include:

- Assurance on Clinical and Care Governance arrangements from NHS Tayside - this is now a standing item on the agenda.
- Further development of performance reporting via approved performance frameworks which are included in our 3-year Strategic Delivery Plans.

Whilst progress has been made, there are a number of areas which will be the focus for improvement over 2022/23. These include:

- Establishing Clinical and Care Governance assurance arrangements to the IJB in relation to Inpatient Mental Health and Acute Medicine.
- Concluding Perth and Kinross Council assurance in relation to Care Governance.

- Reviewing our Partner's Anti-Fraud, Whistle Blowing and Information Governance policies and reach agreement on PKIJB responsibilities.

Annual Governance Statement Findings

In June 2022, the IJB approved the 2021/22 Annual Governance statement for inclusion in the unaudited annual accounts. The process for reviewing the integrity and effectiveness of our governance arrangements to inform the Annual Governance Statement was led by the Head of Finance and Corporate Services. Evidence was gathered by way of self-assessment which was then scrutinised by the Head of Finance and Corporate Services and the Executive Management Team.

The assurance process demonstrated that the IJB has in place adequate internal controls that are considered fit for purpose in accordance with the governance framework.

The process has been successful in identifying areas and controls that would benefit from further development to ensure that they can manage and mitigate current and emerging risks more effectively. These include:

- Improved assurance reporting to the IJB on progress in achieving strategic plan objectives;
- With IJB Members review and update the risk management framework and risk appetite statement;
- Joint review of strategic planning processes encompassing Hosted Services and including consideration of performance reporting.

These will form key elements of the IJB's Partnership Improvement Plan as it rolls forward to 2022/23. Updates on progress of the Plan continue to be provided to each meeting of the IJB's Audit & Performance Committee.

4. AUDIT & PERFORMANCE COMMITTEE MEMBERSHIP

The commitment of the members of the Audit and Performance Committee who are also members of the IJB is recognised, as well as the additional workload and challenges with schedules is acknowledged.

During the financial year 2021/22 the Committee was Chaired by Councillor Callum Purves.

The membership of the IJB's Audit and Performance Committee was relatively stable during 2021/22. The membership for the year was Councillor Callum Purves (Chair), Councillor John Duff, Bernie Campbell, Ronnie Erskine, Pat Kilpatrick and Sandy Watts (from March 2022).

Prior to 1st April 2022, Ronnie Erskine formally left the IJB and subsequently the Audit and Performance Committee. The final meeting of the Committee in March 2022 was also recognised as Pat Kilpatrick's last meeting. The valuable input and level of scrutiny provided by both of these members is acknowledged.

It is also important to acknowledge the input of Perth and Kinross Council's Committee Services into the production of papers that are submitted to the IJB and the running of the Committee generally.

Information of membership and attendance at meetings is attached at Appendix 1.

5. SKILLS AND KNOWLEDGE

It is noteworthy and recognised that there are a range of skills, knowledge and experience that Audit and Performance Committee members bring to the Committee to fulfil its functions. This enhances the quality of scrutiny and discussion of reports at the meetings. No one committee member would be expected to be expert in all areas. The attendance of wider IJB members at some of the meetings provides further scrutiny. Further, as noted in Section 3 above, specific Audit Committee training has been offered to all members.

6. SUMMARY

This report is an annual report to the IJB on the activity of the Audit and Performance Committee during the year. As can be seen from the above, the work of the committee is fully in line with the remit and the annual cycle of governance reviews and reporting (e.g. consideration of Annual Governance reviews and Annual Accounts).

Author(s)

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APPENDICES

1. Perth & Kinross IJB Audit & Performance Committee Record of Attendance
2. Self-assessment
3. Perth & Kinross IJB Audit & Performance Committee Terms of Reference