

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### INTRODUCTION

The Annual Governance Statement explains Perth and Kinross Integration Joint Board's (IJB) governance arrangements and reports on the effectiveness of the IJB's system of internal control.

### SCOPE OF RESPONSIBILITY

Perth & Kinross IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the IJB has established arrangements for governance that includes a system of internal control. The system is intended to manage risk to support achievement of the IJB's aims and objectives. The governance arrangements are broadly consistent with the principles of CIPFA and the Society of Local Authority Chief Executives (SOLACE) framework "Delivering Good Governance in Local Government".

Reliance is also placed on the NHS Tayside and Perth & Kinross Council systems of internal control that support compliance with each organisations' policies and promotes achievement of each organisations' aims and objectives. Reliance is also placed on the internal control environment operating in Dundee City IJB and Angus IJB in respect of Lead Partner services.

The system can only provide reasonable and not absolute assurance of effectiveness.

### THE GOVERNANCE FRAMEWORK

Perth and Kinross IJB comprises of eight voting members, four nominated from Perth and Kinross Council and four from NHS Tayside. IJB membership also includes non-voting members including a Chief Officer, Chief Finance Officer, professional advisers for health, social work and social care along with stakeholder members from carers groups, service user representatives, the third sector and staffside representation. The IJB has an Audit and Performance Committee which is chaired by an IJB voting member. The Audit and Performance Committee met six times during 2023-24.

The governance framework comprises the systems, processes, culture and values the IJB has in place to help achieve its strategic objectives. The IJB recognises that the following are fundamental elements of good governance within public sector organisations: -

- Leadership, Culture & Values
- Stakeholder Engagement
- Vision, Direction & Purpose
- Decision Making
- Organisational Development
- Scrutiny & Accountability
- Internal Controls

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

The system of internal control is a crucial part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on a continuous process designed to identify and prioritise risks in relation to the achievement of Perth & Kinross IJB's intended outcomes. These risks are evaluated based on likelihood and impact and they need to be mitigated and managed proportionately.

The key features of the governance arrangements that were in place during 2023/24 are summarised below, along with the improvement activity that has been undertaken during the year to increase effectiveness.

### LEADERSHIP, CULTURE AND VALUES

A code of conduct for members and employees is in place along with a register of interests. A standards officer has been appointed and standing orders are in place which are reviewed on a regular basis. The standards officer provides advice and guidance to Members of the Board on issues of conduct and ensures that a Register of Interests is kept. A development programme for IJB members has been in place since inception and this has been a key feature in developing working relationships between the Chair, members and officers.

The IJB Chair and Chief Officer meet regularly. The Strategic Commissioning Plan provides a clear and shared direction and purpose across the IJB membership and the Perth and Kinross Health and Social Care Partnership (PKHSCP) Executive Management Team.

The IJB Chair is supported to carry out the role with independent legal and governance support and effective committee secretariat services. The Chief Officer is a Director in the partner organisations and a member of their Executive Leadership Teams, attends the NHS Board and Perth and Kinross Council meetings and is directly accountable to both Chief Executives.

The Chief Officer benefits from the support of Perth and Kinross Council's Chief Social Work Officer, who is also a member of the IJB. Health Care Professionals who are members of the board also provide a level of support to the IJB, helping to align oversight and assurance.

The Chief Officer continues to progress a more integrated management structure within the Health and Social Care Partnership. This has been partly implemented during 2023/24 and the full revised leadership arrangements are now due for completion in 2024/25. This will further mitigate the risk

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

identified in relation to senior management stability and capacity.

### Improvement activity during the year:

- P&K HSCP leaders and managers are participating in a Leadership Development Programme which has been developed by Perth and Kinross Council. This will continue in 2024-2025.
- We have offered and provided development opportunities in relation to the PKIJB Integration Scheme for the current IJB Membership. This will be included in the induction programme for any new IJB Members.
- We have continued to develop a culture and ethos striving to be the best that we can be. This ethos has been delivered through a series of values-based Perth and Kinross Offer sessions delivered to staff and led by the Chief Officer.
- [What Matters to You?](#) events have continued to contribute to our positive culture and ethos relating to ambition, compassion and integrity.

## STAKEHOLDER ENGAGEMENT

Perth and Kinross IJB Meetings are held in public and online. Membership includes wide stakeholder representation including carers' representatives, service users, the third sector and the independent sector.

We have dedicated support for communications through our partner bodies which supports communication with staff and wider stakeholders.

Our Engagement and Participation Strategy is being reviewed and will be refreshed to strengthen stakeholder engagement and the evaluation of the impact we are making.

The HSCP has a dedicated Community Engagement Team who play a key role in delivering community engagement and participation across the Partnership area.

The Strategic Commissioning Plan 2020-2025 was published following engagement with local people. The Strategic Planning Group meets regularly throughout the year and this group has a broad and diverse membership which represents all localities and service user groups to ensure the voice of all is represented in our Strategic Planning work. We maintain close links with the Community Planning Partnership and Local Action Partnerships.

The HSCP works closely with Independent Contractors such as Care Providers, GPs, Dentists, Optometrists and Pharmacists in the delivery of Health and Care Services across Perth and Kinross.

The Partnership has engaged with elected members of Perth & Kinross Council around the Financial Plan and the challenges facing the IJB.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### Improvement activity during the year:

- All members of the IJB were involved in the budget development for 2024/25.
- A wide range of engagement opportunities have been facilitated, both at an operational and strategic level, ranging from provider forums, Strategy Groups to the Strategic Planning Group, all of which have a wide representation from all service user groups/providers. This has bolstered the good working relationships in place.
- Our Communications Protocol in partnership with Perth and Kinross Council and NHS Tayside Communications Teams, which has been shared across the IJB, has been updated.
- Perth and Kinross's Local Outcome Improvement Plan sets out what the Community Planning Partnership will do over the short, medium and longer term to make Perth and Kinross the best place in Scotland where everyone can live life well, free from poverty and inequality.
- We have strengthened our connection with the Public Health Division and this helped inform our revised Strategic Plan.
- A dedicated HSCP Communication and Digital Media post is being funded which will ensure that a sustained approach to communication and a bespoke social media/web presence can be implemented.

### VISION, DIRECTION AND PURPOSE

The Strategic Commissioning Plan 2020-2025 sets out the IJB's strategic aims and ambitions, how these link to the National Health and Wellbeing Outcomes and how progress will be measured. The IJB will be asked to consider a refreshed Strategic Plan in June 2024 and this new plan will be supported by a performance management framework.

To support progress against the 2020-25 plan we have developed Care Group Strategic Delivery Plans, underpinned by outcomes focused performance management frameworks.

These Strategic Delivery Plans have been approved by the IJB and closely aligned to the 3 Year Financial Plan and Workforce Plan. Progress is overseen by Strategy Groups, the P&K HSCP Transformation Board and Executive Management Team. Annually, the IJB reviews strategic progress and the Audit and Performance Committee considers performance against approved Strategic Delivery Plan outcomes.

The publication of our Annual Performance Report documents our achievement throughout the year in achieving our strategic objectives and national outcomes.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

Improvement activity during the year:

- The Perth and Kinross extended executive leadership teams are engaged in the development of the new Strategic Plan for 2024-2027. This has improved links with our partner bodies.
- HSCP Heads of Service now routinely attend Community Planning Partnership meetings ensuring cohesion and good partnership working.
- A Joint Strategic Needs Assessment has been completed informing the vision, direction and purpose of the new Strategic Plan.
- The Transformation Board has been re-established and meets regularly. This board seeks to deliver an appropriately robust governance structure which provides vision, direction, purpose as well as approval, oversight, scrutiny and assurance on the significant health and social care transformation and improvements taking place.
- A Primary Care Strategic Delivery plan was approved by the IJB in June 2023 and is now being implemented and aims to support the delivery of excellent, high quality, accessible and sustainable primary care services for the population of Perth and Kinross
- A Primary Care Premises Strategy was approved by the IJB during 2023-24 which identifies our premises needs for the short, medium and long term.

### DECISION-MAKING

All reports to the IJB are in an agreed format that supports effective decision-making. The IJB and Audit and Performance Committee Annual Work plans ensure regular opportunity for review and scrutiny of progress in delivering strategic priorities.

The Executive Management Team (EMT) meet regularly to oversee delivery service redesign priorities and for escalation of operational risk that may impact on strategic delivery.

The work of our Transformation Board supports informed decision making on health and social care transformation and improvement.

Development sessions have taken place throughout the year to support informed decision making by IJB members.

Integrated financial planning across health and social care services and the development of financial frameworks to support strategic delivery plans ensures an effective link between strategic and financial planning.

The Partnership's Business Improvement Team is a key project and programme management resource supporting the leadership team in reviewing strategic and service priorities where business improvement and transformation is required.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### ORGANISATIONAL DEVELOPMENT

IJB Members are supported by a programme of training throughout the year. Induction is provided for any new IJB Members when required.

Over the year, a program of development sessions has been provided to IJB Members to inform and support ongoing decision-making. An extensive development programme is scheduled in advance to ensure IJB members remain fully informed of significant developments. This programme is presented to Members at each meeting and is continually updated to reflect the changing environment.

In addition to this, the IJB has met on four occasions to ensure members are informed in relation to prioritisation of financial resources and budget setting.

The HSCP is midway through implementation of a 3-year workforce plan. This has an associated action plan to support implementation with updates on progress being provided to the IJB for information, assurance and scrutiny.

#### Improvement activity during the year:

- A series of IJB Member visits took place during the year. This ensured Members remain informed and supported in decision making and aware of good practice as well as the challenges facing health and social care services in Perth and Kinross. These included visits to the Prison Healthcare Service, Public Dental Service, Psychiatry of Old Age, amongst others.

### SCRUTINY AND ACCOUNTABILITY

In order to comply with regulations outlined by the Scottish Government's Integrated Resources Advisory Group, the IJB established an Audit and Performance Committee in July 2016. The role of the IJB Audit and Performance Committee ensures that good governance arrangements are in place for the IJB. It is the responsibility of this committee to ensure that proportionate audit arrangements are in place for the IJB and that annual financial statements are compliant with good practice standards. All IJB Members have a standing invitation to attend Audit and Performance Committee meetings. Both the IJB and the Audit and Performance Committee have annual work plans in place.

We report at each Audit and Performance Committee meeting on financial performance and we are required to publish externally audited Annual Accounts each year. The Annual Performance Report details our activity, reports on our success and outlines further areas for improvement and development.

Our performance against the core set of integration indicators is reported quarterly to the Audit and Performance Committee and to the Executive Management Team.

We have a robust process in place to capture and encourage service user feedback via [Care Opinion](#) and our SUPER Survey platform and will begin to include stories in our formal reporting to highlight individual experiences and outcomes.

Our Partnership Improvement Plan is presented to the IJB's Audit and Performance Committee and provides an update on implementing improvement actions/recommendations arising from our Annual Review of Governance and other self-assessments as well as internal and external audit recommendations and other external inspections.



## SECTION 4: ANNUAL GOVERNANCE STATEMENT

We have included an assessment of how we are delivering against our Best Value responsibilities within the Annual Performance Report.

### Improvement activity during the year:

- We have scheduled regular updates to the IJB on Strategic Delivery Plans thereby improving our assurance reporting on achieving the IJB's Strategic Plan objectives.
- We have sought and gained clarification on the Memorandum of Understanding with Perth and Kinross Council and NHS Tayside for the sharing of data.
- The Chief Officer, as Lead Partner for the coordination and strategic planning of inpatient mental health and learning disability services, has rationalised the detailed reporting of the Whole System Mental Health and Learning Disabilities Change Programme across Tayside.
- We conducted a self-assessment ensuring we comply with the characteristics of Best Value in accordance with the Local Government in Scotland Act 2003 Best Value Guidance. Improvement actions identified from this have been included in our Partnership Improvement Plan.

## INTERNAL CONTROL FRAMEWORK

The governance framework operates on the foundation of internal controls including management and financial information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. During 2023/24 this included the following:

The development of a 3-year financial plan 2023 to 2026 informed by the financial frameworks underpinning our Strategic Delivery Plans. The 3-year financial plan has been developed and considered with engagement from all IJB members via Budget Development Sessions.

The IJB's approach to risk management is set out in the Tayside IJB Risk Management Strategy. During 2023/24, the Audit and Performance Committee has overseen and provided robust scrutiny on the IJB's strategic risk register and its associated risk improvement plan.

A schedule of strategic risk reporting to the Executive Management Team is in place. The overall strategic risk profile is reviewed and a balanced assessment is made.

Our approach to strategic risk continues to mature with a development session on the IJB's risk appetite having taken place. The IJB's risk appetite is scheduled to be set in the first half of 2024-25.

The annual work plan for the IJB sets out clear timescales for reporting on key aspects of strategy implementation and transformation. A work plan is also in place for the IJB's Audit and Performance Committee. An annual report from this Committee is presented to the IJB providing assurance that the Committee has met its remit throughout the year.

A Directions policy and procedure is now in place with enhanced governance arrangements being practiced.

Regular review of service quality against recognised

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

professional clinical and care standards is provided by the PKHSCP Care and Clinical Governance Forum. This provides assurance to NHS Tayside Care Governance Committee and Perth and Kinross Council Performance and Scrutiny Committee. Assurance is then provided to the IJB from its partners on the effectiveness of the clinical and care governance arrangements in place.

We have an established Internal Audit Service from Perth & Kinross Council Internal Audit Services and Fife, Tayside and Forth Valley Internal Audit Services (FTF).

We have a Data Protection Officer in place to ensure the IJB's our GDPR requirements are met.

The HSCP has business continuity plans in place which are regularly reviewed in accordance with processes in place with Partner organisations and any applicable national guidance.

We are working with the other IJBs in Tayside to ensure strong and effective arrangements are in place to support the strategic planning and delivery of lead partner services.

The following wider internal control framework also includes:

- *Complaints handling procedures;*
- *Clinical Care Governance monitoring arrangements;*
- *Procedures for whistle-blowing;*
- *Data Sharing Arrangements;*
- *Code of Corporate Governance including Scheme of Delegation, Standing Financial instructions, standing orders, scheme of administration;*
- *Reliance on procedures, processes and systems of partner organisations*
- *The 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 IJBs have also provided formal assurance that adequate and effective governance arrangements were in place throughout during 2023/24.*

Improvement activity during the year:

- We have ensured that P&K IJB are meeting their statutory obligations as a Category 1 responder.
- We have reviewed the appropriateness of the arrangement where the IJB's Chief Officer also had the role of Chief Social Work Officer. Independent professional advice and leadership for the IJB in this area is confirmed by the appointment by the Perth and Kinross Council Chief Executive of a new CSWO.
- We have undertaken reviews of the IJB's Reserves Policy and Financial Regulations.
- We have improved our HSCP Care and Professional Governance reporting by now reporting to both statutory partners. This provides assurance that effective and robust systems of Clinical, Care and Professional Governance are in place within our Statutory Partners.



## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### ONGOING REVIEW AND FURTHER DEVELOPMENTS

To support the annual review of governance, we have undertaken a full self-assessment using the Internal Control Environment Self-Assessment Tool provided by Internal Audit. The annual self-assessment has been informed by a full progress update of our Partnership Improvement Plan.

Governance areas that require further development are highlighted in the Partnership Improvement Plan. This includes areas identified via our self-assessment as well as recommendations received from other external or internal auditors during 2023/24. Progress updates on the Partnership Improvement Plan are provided to the IJB's Audit and Performance Committee.

Perth and Kinross IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The review of the effectiveness of the framework has been informed by:

- *the work of the Executive Management Team who have responsibility for development and maintenance of the governance environment.*
- *the Annual Report by the Chief Internal Auditor.*
- *reports from Audit Scotland and other review agencies.*
- *self-assessment against Internal Audit's Internal Control Environment Self-Assessment Tool 2023/24.*
- *progress reported against PKHSCP's Partnership Improvement Plan to the IJB's Audit and Performance Committee.*
- *the draft Annual Governance Statements for Perth & Kinross Council, NHS Tayside, Dundee IJB and Angus IJB.*

### REVIEW OF ADEQUACY AND EFFECTIVENESS

The Chief Internal Auditor reports directly to the IJB Audit and Performance Committee on all audit matters, with the right of access to the Chief Officer, Chief Financial Officer and Chair of the Audit and Performance Committee on any matter.

In addition to regular reports to the IJB's Audit and Performance Committee during 2023/24, the Chief Internal Auditor prepares an annual report to the Audit and Performance Committee including an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

The Internal Audit Annual Report 2023/24 received by the IJB's Audit and Performance Committee on 24 June 2024 concluded by stating that; in the Chief Internal Auditor's opinion, reasonable reliance can be placed on the IJB's risk management and governance arrangements and systems of internal control for 2023/24, subject to management implementation of any agreed actions.

The draft Annual Governance Statements of NHS Tayside, Perth and Kinross Council, Dundee IJB and Angus IJB have been considered in preparing this Annual Governance Statement. There were no issues arising which require any further disclosure in the Integration Joint Board's Governance Statement.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### ACTION PLAN FOR 2023/24

To strengthen governance arrangements 17 actions were identified in 2023/24. Of these, 11 have been fully completed. Progress on implementation of the actions is provided via the Partnership Improvement Plan. The remaining actions continue to be a part of the Partnership Improvement Plan until completion. The Partnership Improvement Plan is monitored by the Executive Management Team and scrutiny provided via the Audit and Performance Committee.

The 6 remaining outstanding actions from 2023/24 are all nearing completion or have a plan in place to ensure implementation can be achieved during 2024/25.

### ACTION PLAN FOR 2024/25

The key areas where further progress is required to further strengthen governance arrangements will be set out in detail in the Partnership Improvement Plan and are summarised below:

#### Decision Making

- *To support informed and effective decision making, we will review and refresh the standard IJB reporting template to ensure that information is made clearer to Members. This may include specific references to Best Value Characteristics and Sustainability Impact.*
- *We will strengthen the approach to the completion of EQIAs on all Audit and Performance Committee reports to support more effective decision making and improve reporting and transparency.*

#### Scrutiny and Accountability

- *Conduct a self-assessment utilising the Scottish Government's "[Programme and Project Management Principles](#)" to ensure that project and programme Management Governance is effective.*

#### Internal Controls

- *Evaluate the objectives within the new strategic plan to ensuring strategic risks are refreshed and relevant.*
- *Investigation and establishment of an appropriate procedure to ensure that the IJB's Whistleblowing processes are fit for purpose.*
- *Conduct a review and update of the IJB's Standing Committee Terms of Reference.*

#### Requiring Collaboration with Statutory Partners

For a further improvement, we are reliant on the leadership of NHS Tayside and Perth & Kinross Council as partners to the Integration Scheme:

- *Review the arrangements and the information presented by the IJB in relation to statutory Public Bodies Climate Change reporting.*

The above areas will form new key elements of the Partnership Improvement Plan as it rolls forward to 2024/25.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### CONCLUSION AND OPINION ON ASSURANCE

Whilst recognising that improvements are required, as detailed above, we consider that the internal control environment operating during 2023/24 provides reasonable and objective assurance that any significant risks impacting on the achievement of our objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment.

**Councillor Colin Stewart**  
*IJB Chair*

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**Jacqueline Pepper**  
*Chief Officer*

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