

AUDIT AND PERFORMANCE COMMITTEE OF THE PERTH AND KINROSS INTEGRATION JOINT BOARD

Minute of Meeting of the Audit and Performance Committee of the Perth and Kinross Integration Joint Board (IJB) held via Microsoft Teams on Monday 22 June 2020 at 9.30am.

Present: Councillors C Purves (Chair) and J Duff (both Perth and Kinross Council), R Erskine and P Kilpatrick (up to Item 6.2) (both Tayside NHS Board).

In Attendance: Councillor E Drysdale (Perth and Kinross Council); B Benson (Tayside NHS Board); L Blair (Scottish Care) (up to Item 6.2); G Paterson, Chief Officer; J Smith, Chief Financial Officer; D Mitchell, C Jolly, and P Jerrard (all Perth and Kinross Health and Social Care Partnership); J Clark, Chief Internal Auditor; S Hendry and A Taylor, Corporate and Democratic Services (Perth and Kinross Council).

Apologies: B Campbell, Carer Public Partner; H Dougal, E Devine and D Fraser (all Perth and Kinross Health and Social Care Partnership).

Councillor Purves, Chair.

1. WELCOME AND APOLOGIES

Councillor Purves welcomed all those present to the meeting and apologies were submitted and noted as above.

2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Perth and Kinross Integration Joint Board Code of Conduct.

3. MINUTE OF PREVIOUS MEETING

3.1 MINUTE OF MEETING OF THE AUDIT AND PERFORMANCE COMMITTEE OF 17 FEBRUARY 2020

The minute of meeting of the Audit and Performance Committee of the Perth and Kinross Integration Joint Board of 17 February 2020 was submitted and approved as a correct record.

3.2 ACTION POINTS UPDATE

The Committee noted that no actions were currently outstanding.

3.3 MATTERS ARISING

The Chief Financial Officer advised that discussions had taken place with the Chief Internal Auditor on how the appointment of a Risk Champion for the IJB can be progressed. Further discussions are now planned with the IJB Chair and the Chair of the Audit and Performance Committee to progress this, with an update to be provided at the next meeting of this Committee in September 2020.

P Kilpatrick made reference to the Clinical, Care and Professional Governance Internal Audit report and queried whether an update was available on the current position. In response, G Paterson advised that M Rapley, who has since retired, was commissioned to carry out a review to ensure compliance with the report, the review was undertaken and concluded but no progress has been made yet due to the need to respond to the COVID-19 pandemic. He also stated that it was the intention that a report on Clinical, Care and Profession Governance be brought to the IJB meeting in July which will provide assurance to the IJB and may also facilitate a discussion on the Clinical Care Governance Committee moving forward. He further advised that the Integration Scheme will also be formally reviewed within the next six months so there may be an opportunity for the IJB to reflect on the proposed new Committee.

4. PERFORMANCE

4.1 PERTH AND KINROSS HEALTH AND SOCIAL PARTNERSHIP COVID-19 PANDEMIC RESPONSE

There was submitted a report by the Chief Officer (G/20/61) providing members of the Committee with an update on the Health and Social Care Partnership's response to Covid-19 and the next phase of planned activity.

The Chief Officer briefed the Committee on the work which has taken place within the Partnership since the beginning of the COVID-19 pandemic, highlighting his wish to recognise and praise the work of staff during these very challenging times and stated that Partnership colleagues have shown significant versatility, commitment and professionalism throughout. He further explained that the Partnership was now transitioning into a different phase of dealing with the pandemic, highlighting that this new renewal phase provided the Executive Management Team with a different type of challenge from the initial focus, which was the emergency response to the pandemic. He also stated the impact of COVID-19 continues to be managed, and that unfortunately it was still affecting families and services and the Partnership was still working closely with Care Home colleagues such as Scottish Care.

He further advised that capacity and resources are being retained currently to be able to respond to any potential second surge in the pandemic, with social intervention measures also being worked on. He advised the Partnership was also carrying out some work around the impact Test and Protect could have if staff are identified who have been in contact with anyone who has tested positive. He stated that winter planning was also underway with plans being brought together to ensure that Community Services can provide treatment when and where needed in the

coming months. He also advised that that a review of the programme of work such as the Strategic Commissioning Plan, Transformation Plan and the Financial Plan to examine the implications of the pandemic on our ambitions and to ensure that they are still affordable and achievable and our strategic priorities over the coming year remain appropriate would be carried out.

Councillor Duff queried what exactly constitutes a COVID-19 death. In response, G Paterson advised that this means that the deceased individual has had a positive Covid-19 test, further advising that this does not mean they have died from Covid-19 but had Covid-19 at the time of their death. Following a follow-up question from Councillor Duff on the potential for a second surge and whether there was any general information on this. G Paterson confirmed he had no further insight into this currently, but that the Partnership would have to ensure contingencies are in place and that we must plan for the worst but hope for the best.

Councillor Purves stated that there is a general concern that actions taken to mitigate the pandemic have the potential to have a worse impact than the virus itself. In response, G Paterson stated that in his opinion the key was balance and how we can best remobilise services through the whole system. He further advised that a weekly call is still being held with other Chief Executives, including from Acute along with meetings with the other Chief Officers where the whole system approach is discussed in a cooperative manner and the need for balance to ensure that the capacity in community services is adequate when acute services are reinstated.

R Erskine queried whether it would have been more appropriate for this paper to have been submitted to the next meeting of the full IJB rather than this Committee. In response, Councillor Purves confirmed that the Terms of Reference state that this Committee has an overview of performance arrangements, he further clarified that he had requested to the Chief Officer that this report came to this committee to ensure that it has operational oversight of the Partnership's activities. He further advised that the review of the Integration scheme may perhaps inform how this Committee will operate moving forward.

Resolved:

The contents and summary data detailed in Appendix 1 of Report G/20/61 be noted.

4.2 ANNUAL PERFORMANCE REPORT

There was submitted a report by the Chief Financial Officer (G/20/62) seeking approval to postpone publication of the IJB's Annual Performance Report for 2019/20 until the next meeting of the Audit and Performance Committee to be held in September 2020.

R Erskine made reference to the September 2020 deadline and queried if this deadline for publication of the Annual Performance Report could be met. The Chief Financial Officer advised that this was possible, albeit the report may look and feel slightly different to previous reports due to the parallel need to work on response and renewal plans in relation to COVID-19 but that it would fully meet the legal requirements.

Resolved:

The Audit and Performance Committee approved the postponement of the publication of the Annual Performance Report until September 2020.

4.3 2019/20 FINANCIAL POSITION

There was submitted a report by the Chief Financial Officer (G/20/63) providing an update on the year end out-turn for the twelve months to 31st March 2020 and the level of reserves to be carried forward to 2020/21 subject to year-end audit.

It was noted that this report had previously been presented to the IJB Meeting on 29 May 2020.

Councillor Duff made reference to paragraph 2.2 of the report and queried the unanticipated benefit of £364k in Tayside Psychology Services. In response the Chief Financial Officer stated that this service is hosted by Dundee and it was noted that in previous financial years there has been a consistent level of underspend driven by vacancies in this service. She further stated that this is a benefit from a financial perspective but not from a service perspective and confirmed that this underspend has been built into our forecast position for 2021.

Resolved:

- (i) The 2019/20 year-end out-turn of £1.798m overspend, be noted.
- (ii) That earmarked reserves of £1.159m to be carried forward to 2020/21, be noted.

5. GOVERNANCE AND ASSURANCE

5.1 INTERNAL AUDIT ANNUAL REPORT AND ASSURANCE STATEMENT 2019/20

There was submitted a report by the Chief Internal Auditor (G/20/64) providing Committee with the year-end report and audit opinion of the Chief Internal Auditor for 2019/20.

The Chief Internal Auditor advised that this was the first report from Perth and Kinross Council Audit Services so will look different to previous reports. She further stated that planned work for 2019/20 assignments was paused due to the IJB's COVID-19 response, but that work was well underway with these. She confirmed that whilst these have not yet been reported to this Committee the Chief Internal Auditor has had sight of the work which was undertaken and has been able to place reliance on this work.

R Erskine made reference to the style of the report and noted it was very noticeably different from the 2018/19 report and queried why the styles of report are so different highlighting his view that an IJB should see a consistent style of report each year. In response, the Chief Internal Auditor. He further queried the concerns raised in the 2018/19 report in relation to the MSG report and that arrangements should be put in place to monitor and remedial actions put in place, stating that

today's report does not provide enough assurance to him that these issues have been addressed fully and further queried whether a lessons learnt could be included and whether this should be an Internal Audit function or a Chief Financial Officer role. In response, the Chief Internal Auditor stated that the report is in her style hence the different format, but the substance is largely the same. She confirmed that issues in last year's report have all been dealt with and arrangements have been put in place by the Chief Officer and the Chief Financial Officer to capture all these strands.

Councillor Purves stated that the issues identified previously have been included in the Partnership Improvement Plan which has replaced the Transforming Governance Plan and confirmed the Partnership Improvement Plan will be monitored by the Audit and Performance Committee moving forward and is on today's agenda.

Resolved:

The contents of Report G/20/64 and specifically the Audit Opinion stating that reasonable reliance can be placed on the IJB's risk management and governance arrangements and systems of internal control for 2019/2020, subject to management implementation of the agreed actions detailed in Internal Audit reports, be noted.

5.2 INTERNAL AUDIT 2019/20 PROGRESS UPDATE AND INTERNAL AUDIT REPORTS

The Chief Internal Auditor provided the Committee with a verbal update in which she advised that three reports will be considered at the next meeting of this Committee in September 2020 relating to; (1) Financial Risks; (2) Partnership Improvement Plan; and (3) Performance Management.

She further advised that work has been substantial in these areas but due to the pause for the IJB's COVID-19 response work these reports were not quite ready to be considered by management and therefore unable to come to today's meeting.

Resolved:

The Committee noted the position.

5.3 STRATEGIC RISK MANAGEMENT UPDATE

There was submitted a report by the Chief Officer (G/20/65) providing an update on progress in managing the high-level IJB's Strategic Risk Management Profile and planned risk register redevelopment work from the Perth & Kinross Health and Social Care Partnership's Risk Steering Group.

R Erskine sought assurance that any major changes to risks or new risks are taken into account and actions are taken or planned to be taken and how does will the IJB liaise with NHS Tayside, Perth and Kinross Council and if necessary other IJBs. He also made reference to the financial risk being red and queried why is this the biggest risk to the IJB and whether Covid-19 risks had been included. In response, the Chief Financial Officer advised that consideration is being given over the next few weeks on how the COVID-19 risk register, which is under development, will be aligned or combined with the standard risk reporting. She further stated that

in relation to the IJB's financial risk, this version of the risk register is as it was reported in February where this was identified as the biggest risk which may now have changed. She also confirmed in relation to liaising with statutory partners, that there was a link with NHS Tayside Strategic Risk Management Group of which the Chief Officer is a member but confirmed there is not a similar link with Perth and Kinross Council but there is a strong link with Lisa Simpson, Head of Legal Services, allowing sharing of risks.

The Chief Financial Officer further stated that the Partnership have set out a COVID-19 mobilisation plan which details our initial response to the pandemic and our renewal plans going forward. She further stated that the service actions have been clearly detailed in the mobilisation plan to ensure that discussions with the Scottish Government and statutory partners are robust and transparent and that these actions in the mobilisation plan were now being linked to the COVID-19 risk register which will ensure that the high-level risks have been responded to.

P Kilpatrick noted that the demand on health and social care services post pandemic could be a major risk to the Partnership and suggested some scenario planning could be considered as some of the population who have had COVID-19 could have serious health and social care needs due to comorbidities. In response the Chief Officer advised that the implications are being scoped out currently and these are being factored into our mobilisation plan.

Resolved:

The progress in relation to the Perth and Kinross Health and Social Care Partnership's Strategic Risk Profile and the planned work by the Risk Steering Group be noted.

5.4 PARTNERSHIP IMPROVEMENT PLAN

There was submitted a report by the Chief Officer (G/20/66) presenting the Health and Social Care Partnership's Partnership Improvement Plan which draws together recommendations and proposed actions from a range of sources.

The Chief Officer explained that the expected progression with the Partnership Improvement Plan has been stalled due to the ongoing work responding to COVID-19. He advised that the Plan is the vehicle for bringing together recommendations from the Ministerial Steering Group (MSG) for Integration, the Joint Inspection, our Annual Governance Statement and Audit Reports amongst others. He further stated that the current iteration is what has been presented today and advised that it still requires to be updated with some reprioritisation to be considered.

Councillor Purves thanked the Chief Officer for bringing the Partnership Improvement Plan to this meeting and stated his recognition of this being an effective way to continue to monitor actions without going into operational detail. He requested it would be helpful if the completion dates were included against the actions as well as the RAG status.

R Erskine welcomed the report but raised some concern that this seems to have taken one year to be prepared and sought some assurance on progress. He also referenced corporate support and staffing and also sought assurance from the Chief Officer on there being sufficient resources in this area to progress the actions. He further stated that assurance from Internal Audit would be crucial to the robustness of the plan and highlighted that training and development of IJB members was an action and expressed his opinion that his experience of receiving induction and training was limited. He also sought some clarity on Action 27 regarding timely agreement of budgets and this being green. In response, the Chief Officer advised that the plan has not taken one year, stating the Joint Inspection findings were received in September 2019 and were a key part of the collation of the Plan, with the MSG findings in May 2019 which helped form some of the actions. He further stated this was the first time the Partnership Improvement Plan had come to this Committee but highlighted it was also presented to the IJB meeting in February 2020. He further acknowledged that progress has not always been as he hoped but provided assurance this is being worked on. He also advised of the recognised need to enhance the level of staffing and a restructuring of the Partnership, within the available resources, and stated this was currently being considered. He also stated that with regards some of the specific actions, there was also a recognition that these are contingent on the contribution of our statutory partners advising there are interdependencies on what we are enabled or funded to be able to do and require us to engage with statutory partner organisations.

In response to the query on Action 27, the Chief Financial Officer stated that the MSG self-assessment process was to be completed in conjunction with our statutory partners, she advised that the Scottish Government asked if we set our budgets before 31st March. She further advised that NHS Tayside have been trying to do this but unfortunately it has not yet happened, but discussions with the NHS Tayside Director of Finance have been positive. She further commented that the action is one which we can help to support with but the completion of the actions actually rests with NHS Tayside and we cannot directly do this ourselves.

Councillor Duff commented on the priority level of the actions and the connection of the RAG status and suggested these may be visually improved if the columns were together. He also stated that a summary table provided at the end would also be helpful with the movement of actions being shown.

Councillor Purves invited any further comments from members on the Partnership Improvement Plan be sent to the Chief Officer directly.

Resolved:

The progress made to date on the Partnership Improvement plan be noted.

5.5 AUDIT RECOMMENDATIONS UPDATE

The Chief Financial Officer provided an update on the current situation and advised that the outstanding actions have not been able to be progressed due to COVID-19 workload pressures. She further advised that currently there were four recommendations outstanding; two relating to Inpatient Mental Health and two

relating to Strategic Delivery plans, both of which may need to be revisited in the future.

The Chief Financial Officer also advised that a further update will be brought forward to the next meeting of this Committee.

Resolved:

The Committee noted the position.

5.6 APPOINTMENT OF INTERNAL AUDITORS 2020/21

There was submitted a report (G/20/67) by the Chief Financial Officer proposing Internal Audit Arrangements for the Integration Joint Board for 2020/21.

The Chief Financial Officer advised that in line with best practice the Audit and Performance Committee are required to make a recommendation to the IJB about Internal audit arrangements for the financial year.

Resolved:

- (i) The recommendation to Integration Joint Board of the appointment of Jackie Clark as Chief Internal Auditor be approved.
- (ii) The appointment of Perth and Kinross Council Internal Audit Services and FTF as the IJB's Internal Auditors for 2020/21 for a period of 1-year, be approved.

6. ANNUAL ACCOUNTS

6.1 ANNUAL GOVERNANCE STATEMENT

There was submitted a report by the Chief Financial Officer (G/20/68) seeking approval of the Annual Governance Statement for the financial year 2019/20 which provides assurance as to the effectiveness of the Integration Joint Board's (IJB) governance framework and in particular the system of internal control.

The Chief Financial Officer explained that the annual review of governance provided the opportunity to review the rules, resources, systems, process, culture and values of the organisation to ensure the framework surrounding delivery of strategic objectives was adequate. She further advised that the review showed significant areas of progress as well as identifying some areas of weakness which are continuing to be taken forward. She highlighted that Covid-19 had impacted on progress in some areas and resources will require to be realigned to ensure priority areas can be taken forward. She stated changes have had to be made rapidly in relation to the organisation's governance arrangements to respond to the Covid-19 pandemic, with an immediate requirement for a new command structure established which is still currently in place and will continue to be a key arrangement supporting us in the months ahead.

R Erskine queried if the report sufficiently covered the concerns raised over the last year and if the progress made over the year is adequately covered. He also queried the induction and development programme for IJB members as the Annual

Governance Statement states that this was in place. In response, the Chief Financial Officer confirmed that this Committee received the first quarterly performance report in February this year which was a much more robust performance report than had ever previously been presented to this Committee. She advised that the quarterly performance report is planned to come to every meeting of this Committee which will provide a sufficient level of assurance around performance reporting. She further advised that the development of IJB members does take place through various channels such as Budget Review Group meetings, visits and development sessions. She further stated that it is acknowledged that this was not a tailored induction programme, but the Partnership Improvement Plan recognises this, and this will therefore be progressed.

R Erskine acknowledged these points but stated that in his opinion the Annual Governance Statement did not give the impression that there is still some work required to be carried out in these areas. He queried whether the Annual Governance Statement could be updated substantively to provide more evidence on progress throughout the year before it is approved. In response, the Chief Financial Officer acknowledged all the points raised by R Erskine and confirmed her willingness to pull out more succinctly areas of progress and include these in the report.

Resolved:

The 2019/20 Annual Governance Statement was provisionally approved for inclusion in the unaudited Annual Accounts subject to additional assurance on progress on previous actions being provided, with an updated version of the Annual Governance Statement being circulated to Members for approval by written representation.

Post Meeting Note:

A revised copy of the Annual Governance Statement was circulated to Members on 25 June 2020. Councillor Purves, Councillor Duff, R Erskine and B Campbell all confirmed by written representation their approval of the Annual Governance Statement.

P KILPATRICK AND L BLAIR LEFT THE MEETING AT THIS POINT.

FOLLOWING A SHORT ADJOURNMENT, THE COMMITTEE RECONVENED AT 12.10PM.

6.2 UNAUDITED ANNUAL ACCOUNTS

There was submitted a report by the Chief Financial Officer (G/20/69) presenting the Integration Joint Board's (IJB) Unaudited Annual Accounts for the financial year 2019/20 in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

The Chief Financial Officer expressed her gratitude to Donna Mitchell and the Partnership's Finance team who have prepared the annual accounts, meeting all statutory deadlines, in difficult circumstances despite being re-tasked to support Workforce Matching.

J Smith and D Mitchell provided the Committee with an overview of the Unaudited Annual Accounts.

Resolved:

- (i) The Unaudited Annual Accounts be approved for submission to the Controller of Audit by 30 June 2020.
- (ii) The Chief Financial Officer be authorised to sign the Unaudited Annual Accounts on behalf of the IJB.

7. FOR INFORMATION

There following report was submitted and noted for information:

**7.1 AUDIT & PERFORMANCE COMMITTEE RECORD OF ATTENDANCE
2019/20 (G/20/70)**

8. PRIVATE DISCUSSION

There was no private discussion between members of the Committee and the Chief Internal Auditor.

8 DATE OF NEXT MEETING

Monday 14th September 2020 at 9.30am.