



Council Building
2 High Street
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11/06/2021

A Virtual Meeting of the **Audit and Performance Committee of the Perth and Kinross Integration Joint Board** will be held on **Monday, 21 June 2021 at 11:00**.

If you have any queries please contact Committee Services - Committee@pkc.gov.uk.

Gordon Paterson
Chief Officer/Director – Integrated Health & Social Care

Please note that the meeting will be streamed live via Microsoft Teams, a link to the Broadcast can be found via the Perth and Kinross Council website. A recording will also be made publicly available on the Integration Joint Board pages of the Perth and Kinross Council website following the meeting.

Members

Councillor Callum Purves, Perth and Kinross Council (Chair)
Councillor John Duff, Perth and Kinross Council
Pat Kilpatrick, Tayside NHS Board
Ronnie Erskine, Tayside NHS Board
Bernie Campbell, Carer Public Partner

**Audit and Performance Committee of the Perth and Kinross Integration Joint
Board**
Monday, 21 June 2021

AGENDA

- 1 WELCOME AND APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with 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 15 FEBRUARY 2021** **7 - 10**
(copy herewith)
- 3.2 ACTION POINTS UPDATE** **11 - 12**
(copy herewith G/21/69)
- 3.3 MATTERS ARISING**
- 4 PERFORMANCE**
- 4.1 2020/21 FINANCIAL POSITION** **13 - 28**
Report by Head of Finance and Corporate Services (copy herewith G/21/70)

Note: There will also be a slide-based presentation on the above item by the Head of Finance and Corporate Services
- 4.2 KEY STRATEGIC PERFORMANCE INDICATOR REPORT FOR THE PERIOD TO DECEMBER 2020: QUARTER 3** **29 - 34**
Report by Chief Officer (copy herewith G/21/71)
- 5 GOVERNANCE & ASSURANCE**
- 5.1 STRATEGIC RISK MANAGEMENT UPDATE** **35 - 72**
Report by Chief Officer (copy herewith G/21/72)

5.2	PARTNERSHIP IMPROVEMENT PLAN UPDATE Report by Chief Officer (copy herewith G/21/73)	73 - 82
5.3	AUDIT RECOMMENDATIONS UPDATE Report by Head of Finance and Corporate Services (copy herewith G/21/74)	83 - 92
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5.4.3	INTERNAL AUDIT REPORT - PROVIDER SUSTAINABILITY PAYMENTS (20-03) (copy herewith G/21/78)	119 - 132
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5.6	APPOINTMENT OF INTERNAL AUDITORS 2021/22 Report by Head of Finance and Corporate Services (copy herewith G/21/80)	137 - 138
5.7	INTERNAL AUDIT STRATEGY & PLAN 2021/22 Report by Chief Internal Auditor (copy herewith G/21/81)	139 - 144
6	DRAFT ANNUAL ACCOUNTS 2020/21	
6.1	ANNUAL GOVERNANCE STATEMENT Report by Head of Finance and Corporate Services (copy herewith G/21/82)	145 - 156
6.2	UNAUDITED ANNUAL ACCOUNTS 2020/21 Report by Head of Finance and Corporate Services (copy herewith G/21/83)	157 - 198
7	FOR INFORMATION	
7.1	AUDIT & PERFORMANCE COMMITTEE WORK PLAN 2021/22 (copy herewith G/21/84)	199 - 200

7.2 AUDIT & PERFORMANCE COMMITTEE RECORD OF ATTENDANCE 2020/21
(copy herewith G/21/85)

201 - 202

8 PRIVATE DISCUSSION

9 DATE OF NEXT MEETING

Monday 2nd August 2021 at 10.30am (Annual Performance Report)

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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 15 February 2021 at 9.30am.

Present: Councillors C Purves (Chair) and J Duff (Perth and Kinross Council), P Kilpatrick and R Erskine (Tayside NHS Board), and B Campbell (Carer Public Partner) (during Item 3.2).

In Attendance: Councillor E Drysdale (during Item 3.2) and Councillor X McDade; G Paterson, Chief Officer, J Smith, Chief Financial Officer, C Jolly, F Low and P Jerrard (all Perth and Kinross Health and Social Care Partnership); J Clark, Chief Internal Auditor; and S Hendry, A Taylor, M Pasternak and A Brown, Corporate and Democratic Services (Perth and Kinross Council); and C Windeatt and L Preston (both KPMG).

Apologies: E Devine (Perth and Kinross Health and Social Partnership)
Councillor Purves, Chair.

1. WELCOME AND APOLOGIES

Councillor Purves welcomed all those present to the meeting and an apology was 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 30 NOVEMBER 2020

The minute of meeting of the Audit and Performance Committee of the Perth and Kinross Integration Joint Board of 30 November 2020 was submitted and approved as a correct record.

3.2 ACTION POINTS UPDATE

The Action Points Update (Report G/21/1) was submitted and updates provided thereon.

3.3 MATTERS ARISING

There were no matters arising.

4. GOVERNANCE & ASSURANCE

4.1 INTERNAL AUDIT PROGRESS REPORT

The Chief Internal Auditor provided a verbal update on progress in relation to Internal Audit's planned activity.

The Chief Internal Auditor advised that work was continuing in line with the audit plan but with a few slight delays due to staff being currently re-tasked. She further advised that the majority of the audit reports will be presented to the June meeting allowing an Annual report to be prepared in the normal way.

The Committee noted the position.

4.2 STRATEGIC RISK MANAGEMENT UPDATE

There was submitted a report by the Chief Officer (G/21/2) (1) submitting the refreshed Integration Joint Board Strategic Risk Register for consideration; and (2) updating the Committee on the further actions being taken to manage, mitigate and escalate risks.

The Chief Officer advised that a Strategic Risk Improvement Plan was currently being developed which will form an integral part of the register and will be presented to the June meeting. Committee members welcomed the report and positive feedback was provided on the readability and detail in the register.

Ronnie Erskine queried the risk appetite and if consideration has been given to agreeing this. In response, the Chief Officer advised that this is something which may be considered at a future IJB development session.

R Erskine also made reference to the updates for the strategic risk register and sought confirmation that this would be looked at in real time on an ongoing basis and not on the specific review dates against individual risks. In response, the Chief Financial Officer advised that this would happen; the associated improvement plan is currently a work in progress but this is an opportunity for the IJB to be assured that strategic risk is being managed appropriately. The Chief Officer stated that there would also be the opportunity for the IJB to consider what our statutory partners can assist with on delivering on our strategic aims if risks remain red despite all efforts.

The Chief Officer and Chair agreed that a development session on strategic risk would be beneficial and this would be progressed with a view to this taking place before September 2021.

Resolved:

The continued development of the IJB Strategic Risk Register and associated Strategic Risk Improvement Plan be noted.

S HOPE JOINED THE MEETING DURING THE ABOVE ITEM.

COUNCILLOR DRYSDALE LEFT DURING THE ABOVE ITEM.

4.3 EXTERNAL AUDIT REPORT – AUDIT STRATEGY

There was submitted a copy of the Perth and Kinross Integration Joint Board Audit Strategy (G/21/3) for the year ending 31 March 2021 produced by the External Auditors, KPMG.

C Windeatt and L Preston from KPMG provided the Committee with a summary of the main headlines of the report and answered questions from members.

Resolved:

The contents of Report G/21/3 be noted.

C WINDEATT AND L PRESTON LEFT THE MEETING AT THIS POINT

4.4 EXTERNAL AUDIT – PROPOSED AUDIT FEE 2020/21

There was submitted a report by the Chief Financial Officer (G/21/4) presenting the proposed Audit Scotland External Audit Fee for 2020/21 for approval.

Resolved:

The Committee noted the proposed fee for 2020/21 of £30,060 and authorised Officers to accept this fee.

5. PERFORMANCE

5.1 KEY STRATEGIC PERFORMANCE INDICATOR REPORT FOR THE PERIOD TO SEPTEMBER 2020: QUARTER 2

There was submitted a report by the Chief Officer (G/21/5) providing an update on the Health and Social Care Partnership's performance including progress against National and Ministerial Steering Group Indicators.

Councillor Duff made reference to Indicator 16, falls in the 65+ age group and queried if we had any indication as to what could be behind the increase. In response, the Chief Officer advised some further analysis on this was currently being undertaken so that the correct response to the issue can be provided.

Councillor McDade made reference to Indicator 14, specifically the readmissions to hospital within 28 days of discharge figures and sought some clarification on the red status in comparison to the rest of Scotland. In response, C Jolly advised that all three Tayside HSCPs have a comparable performance in this indicator which seems to be at a higher level than the rest of Scotland. He further commented that some work was underway with NHS Scotland LIST colleagues to investigate this as there may be differences in the way this data is recorded resulting in inconsistencies across Scotland.

The Chief Officer stated that the Partnership will focus on the indicators where we are not performing well to ensure improvements can be made. He also stated that it should also be noted the many positive areas in the report where the Partnership are performing well.

Resolved:

The Health and Social Care Partnership's performance for the period to September 2020, as detailed in Appendix 1 of Report G/21/5, be noted.

R ERSKINE LEFT THE MEETING DURING THE ABOVE ITEM.

6. FOR INFORMATION

There were submitted and noted the following reports for information:

- 6.1 AUDIT & PERFORMANCE COMMITTEE WORK PLAN 2020/21 (G/21/6)**
- 6.2 AUDIT & PERFORMANCE COMMITTEE WORK PLAN 2021/22 (G/21/7)**
- 6.3 AUDIT & PERFORMANCE COMMITTEE RECORD OF ATTENDANCE 2020/21 (G/21/8)**

7. DATES OF FUTURE MEETINGS

21 June 2021 at 11.00am
2 August at 10.30am
13 September 2021 at 9.30am
13 December 2021 at 9.30am
7 March 2022 at 9.30am

Resolved:

The dates of meetings as detailed above were approved and noted.

8. PRIVATE DISCUSSION

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

9. DATE OF NEXT MEETING

Monday 21 June 2021 at 11.00am.



Action Points Update – 21 June 2021

Perth & Kinross IJB – Audit and Performance Committee (Report G/21/69)

Ref.	Min. Ref.	Meeting	Action	Responsibility	Timescale	Revised Timescale	Update/Comments
41	4.1	14/09/20	Briefing paper on absence rates across the partnership and actions being taken to be circulated to Committee members	Head of Adult Social Work & Social Care and Head of Health	30/11/20	30/08/21	This is being progressed with Statutory Partner HR colleagues.
48	4.5	30/11/20	A summary setting out the scale and scope of commissioned services to be circulated to members	Head of Adult Social Care and Social Work	30/06/21		Complete. A presentation on Commissioned Services was given by the Interim Head of Adult Social Care (Commissioning) at the IJB Development Session on 7th April 2021.

Ref.	Min. Ref.	Meeting	Action	Responsibility	Timescale	Revised Timescale	Update/Comments
49	4.2	15/2/21	IJB Risk Workshop/Development Session be scheduled to consider risk tolerance and acceptability; role/sphere of influence of IJB and periodic deep dives.	CO/CFO	30/09/21	25/08/21	An IJB workshop to consider risk tolerance will take place on 25 th August 2021



PERTH & KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

21 JUNE 2021

2020/21 FINANCIAL POSITION

Report by the Chief Financial Officer (Report No. G/21/70)

PURPOSE OF REPORT

The purpose of this report is to advise the Audit and Performance Committee of: -

- 1) The 2020/21 year end out-turn for core services, based on financial performance for the 12 months to 31 March 2021;
- 2) The impact of the Covid-19 Pandemic on the year end financial position;
- 3) The closing position on the IJB reserves.

1. RECOMMENDATIONS

It is recommended that the Audit and Performance Committee: -

- (i) Notes the £3.887m year-end underspend in relation to core services
- (ii) Notes the year end surplus in relation to Covid-19, to be carried forward in an ear-marked Covid-19 reserve
- (iii) Notes the update regarding the IJB reserves position.

2. BACKGROUND

- 2.1 The IJB received a finance update at its meeting on 23rd April 2021 (Report No. G/21/37) presenting the forecast at 28 February 2021, this report provides an update on the final out-turn for 2020/21.

3. OPERATIONAL POSITION OVERVIEW

- 3.1 An underspend of £3.887m is reported on the underlying operational position, based on the 12 months to 31 March 2021. This is an improvement of £0.780m from the last report to the IJB. The key movements are provided in the narrative below.

Table 1 below provides a high level summary across each devolved service, and a comparator to the last report.

TABLE 1

Service	Month 11 Report	Month 12 Report
	Projected Over / (Under) £m	Final Out-turn Over / (Under) £m
Hospital & Community Health	(1.318)	(1.406)
Hosted Services	(0.359)	(0.400)
Prescribing	0.152	0.000
General Medical/Family Health Services	(0.042)	(0.106)
Sub-Total Core Health Position	(1.567)	(1.912)
Financial Plan Deficit	0.987	0.951
Sub-Total Health	(0.580)	(0.961)
Social Care	(2.527)	(2.926)
Total Health & Social Care	(3.107)	(3.887)

- 3.2 The final Health out-turn is an underspend of £1.912m, which more than offsets the recurring Financial Plan deficit leading to a net underspend for the year of £0.961m.
- 3.3 The Social Care final out-turn is an operational underspend of £2.926m.
- 3.4 Both Health and Social Care Operational positions exclude slippage on savings which are reported as Covid-19 Related costs in Section 7.

4. SERVICE BY SERVICE PROJECTED POSITION

The breakdown of the projected position is provided by service in Appendix 1.

4.1 HOSPITAL AND COMMUNITY HEALTH CARE

- 4.1.1 **Older People Services:** The position for Older People Services is an overall underspend of £0.885m. This is a £0.084m increase in underspend from the last report. The main variances are within-

- Investment monies have underspent by an overall £0.430m. These monies were provided as part of the 2019/20 and 2020/21 Financial Plan, for intermediate care beds and the respiratory community model, however progress has been delayed. This forecast is in line with that reported at month 11.
- The Medicine for the Elderly final position is an overspend of £0.026m, a reduction of £0.049m from the last report. The overspend is due to staffing costs being above the budgeted staffing model.

- Community Hospitals and Minor Injury Illness Units have an underspend position of £0.248m, which is £0.017m less than the last report. Vacancies throughout the year have attributed £0.155m to this position, with the remainder of the underspend being on non-pay budgets.
- The final position on Intermediate care teams is a £0.099m underspend, mainly resulting from vacancies within teams.
- Psychiatry of Old Age (POA) Services have an overspend of £0.080m overall, broadly in line with the last report. An overspend of £0.446m for inpatient services due to the staffing establishment and costs being above budgeted level. The staff cost overspend in inpatient services has been partially offset by an underspend in non-pay budgets. However, the main offset is due to the underspend in community POA services, driven by vacancies.

4.1.2 **Adult Services:** The final position for Adult Services is an underspend of £0.350m, an increase of £0.070m from the last report. £0.216m of this underspend has been driven by vacancies within General Adult Psychiatry and Learning Disability Teams. In addition, there has been slippage in the commencement of planned care packages (£0.055m).

4.1.3 **Other Areas:** For all other areas within the Core Hospital and Community Health the final position is a £0.171m underspend (an reduction in underspend of £0.066m from the last report), the main variance and movement is within Medical Trainees expenditure, reflecting updated information from the latest rotation.

4.1.4 **Prescribing:** The Financial Plan budgeted for a £0.588m underspend and the final position for both Prescribing and General Pharmaceutical Services (GPS Others) has delivered that. The underlying prescribing position was an underspend of £0.330m and was based on actuals for April to January and accruals for February and March. Actual volume growth was lower than plan (by 5.1%) and lower than previous year (by 2.1%). Price growth was higher than anticipated (by 6.5%) however, in net terms, the expenditure (excluding savings) is in line with plan. There was an undelivered savings balance of £0.220m, however this is excluded from the overall position as it's required to be reported within the Covid-19 Expenditure Forecast (see Section 7 below). A further year end underspend of £0.258m was driven by a number of variances across rebates, drug related costs and service fees for pharmacy contractors.

4.1.6 **General Medical/Family Health Services:** A final out-turn of £0.106m underspend, which is £0.212m less than the last report. The Perth & Kinross share of the General Medical Services out-turn was a £0.256m underspend, a result of both historical underspend and a rates underspend. In addition, non General Medical Services had an underspend of £0.088m. However, this was significantly offset by 2c practice costs across Dundee and Angus, of which Perth & Kinross are attributed a £0.238m share of the overspend.

4.1.7 **Financial Plan Deficit:** The £1.175m underlying opening budget deficit for health services has been reduced through a small number of recurring opportunities to £0.951m.

4.1.8 **Large Hospital Set-Aside:** This is a budget that is devolved to the Partnership for Strategic Planning purposes but is operationally managed by the Acute Sector of NHS Tayside. No variance is projected against this budget as this is reported within the NHS Tayside Operating Division Financial Position.

4.2 HOSTED SERVICES

4.2.1 Perth and Kinross IJB (PKIJB) directed hosted services include Podiatry, Community Dental Services and Prison Healthcare. The final position in Prison Healthcare was an underspend of £0.303m, driven by staff vacancies throughout the year. In Podiatry, staff vacancies and reduced expenditure on supplies have resulted in an underspend of £0.282m. Dental has an underspend of £0.146m, driven by staff vacancies and supplies expenditure reduction. These are being partially offset by a carried forward uplift and superannuation shortfall, of which the PKIJB share is £0.098m and is included within the deficit described in paragraph 4.1.7 above.

4.2.2 The final position on services hosted within Angus and Dundee IJB's is an overall £0.574m overspend, of which £0.192m is the PKIJB share. However, of this share, £0.325m is related to projected Covid-19 costs. This position has been adjusted to move the £0.325m into the Covid-19 position. The costs are detailed in the Covid-19 section below.

4.3 SOCIAL CARE

4.3.1 **Older People Services:** The final position for Older People Services is an underspend of £1.781m. This is an increase of £0.288m from the last report. The main variances and movements are as follows:-

- Care at Home has a final underspend of £0.504m. This underspend has reduced by £0.045m from last reported. The underspend is due to the level of hours delivered being less than the level budgeted for.
- External Residential and Nursing Placements have an underspend of £0.781m due to occupancy levels, this is an increase of £0.331m from the last report. The movement is due to final reconciliation updates.
- Day Services, Carers, Occupational Therapy, Equipment and Short Breaks have an underspend of £0.548m, a reduction of £0.023m from the last report. The underspend has resulted from staffing vacancies, changes in services throughout the year and usage levels.

4.3.2 **Adult Services:** The final position for Adult Services is an underspend of £0.999m, an increase of £0.104m from the last report. The variance is mainly due to delays in packages commencing, a reduction in respite usage, staffing underspends and a reduction transport costs.

- 4.3.3 **Other Areas:** For all other areas within Social Care the projected position is an overall £0.146m underspend, broadly in line with the last report. Locality teams have an underspend of £0.158m, driven by a reduction in transport costs and staff slippage. Commissioned services payments have an underspend of £0.075m. These are being partially offset by a bad debt provision, finalised at £0.037m.

5. SAVINGS

- 5.1 The 2020/21 savings plan for Core Health & Social Care totalled £3.993m. Of this £2.565m has been delivered.
- 5.2 Capacity to deliver the remaining savings in year has been significantly impacted due to Covid-19. The balance of £1.428m has been included within the Covid-19 costs as unachievable savings.
- 5.3 As referred in section 4.1.4 above, prescribing savings have not been fully achieved due the pause on the Quality, Safety & Efficiency in Prescribing (QSEP) programme as a direct result of Covid-19 and £0.220m has been included within the above shortfall in savings delivery.
- 5.4 Detail of the savings plan projection is provided in Appendix 3.

6. RESERVES

- 6.1 As at March 2020, the IJB's Annual Accounts showed that Perth & Kinross IJB had £1.159m of earmarked reserves. The closing balance on IJB reserves is £13.900m, an increase of £12.741m from the beginning of 2020/21. A breakdown of reserves and movements is provided in Appendix 4.
- 6.2 The main contributors to the increase are the Covid-19 fund at £4.547m (further detail provided in section 7 below); the carried forward Health & Social Care underspend from 2020/21 at £3.887m; the £1.608m transfer of Primary Care Improvement reserves, previously held at Scottish Government; and £1.400m of NHS Tayside non-recurring support, approved as part of the IJBs 2021/22 budget setting.
- 6.3 An update on the Covid-19 reserve is given in Section 7 below.

7. COVID 19 FINANCIAL POSITION OVERVIEW

- 7.1 Throughout 2020/21 the financial impact of PKHSCP's response to the Covid-19 pandemic has been routinely reported to Scottish Government through the return of its Local Mobilisation Plan (LMP) templates. These included costs incurred as a direct consequence of Covid-19 and the impact on deliverability of the IJB's savings plan for 2020/21.

- 7.2 The final costs of Covid-19 are £8.293m, a reduction of £0.543m from the last report to the IJB in April. Of the final position, £5.944m relates to Social Care and £2.349m to Health.
- 7.3 A breakdown of the Covid-19 costs, compared to the last projection, is provided in the table below:

Action/Cost	Projected Cost	Final Cost
	£m	£m
Provider Sustainability Payments	3.125	3.593
Unachieved Savings	1.334	1.208
Additional FHS Payments – GP Practices	0.622	0.592
Additional Staffing	0.740	0.647
Loss of Income	0.581	0.355
Angus/Dundee Hosted Services *	0.315	0.325
Mental Health	0.118	0.117
Care at Home / Care Home	0.290	0.320
Personal Protective Equipment(PPE)	0.211	0.228
Prescribing	0.431	0.220
Additional Hospital Bed Capacity	0.533	0.221
Management Capacity	0.177	0.148
Support to Care Homes	0.075	0.013
Delayed Discharge Co-ordination	0.052	0.049
Other Community Care Provision	0.055	0.055
IT /Equipment	0.101	0.101
Communications	0.027	0.030
Prison Health *	0.049	0.071
Total Projected Costs	8.836	8.293

*PKIJB Share of hosted service cost

- 7.4 A total £12.840m of Scottish Government funding has been received to cover Covid-19 costs. After funding the 2020/21 costs, a balance of £4.547m remains. In line with Scottish Government advice, this has been carried forward in an earmarked reserve to cover 2021/22 Covid-19 Costs.

8. CONCLUSION

- 8.1 A significant £3.887m underspend on core services is reported for 2020/21. In line with the Integration Scheme this will be carried forward to 2021/22 as a general reserve. As part of the 2021/22 Financial Plan, consideration is being given to its application.
- 8.2 After funding 2020/21 Covid-19 costs, the surplus balance on Scottish Government income received is £4.547m and is being carried forward in an earmarked reserve for Covid-19 costs in 2021/22. This is in line with Scottish Government advice.

- 8.3 The IJB reserves has a closing balance of £13.900m, this includes a number of Scottish Government Funding priorities, but the high level of reserves is mainly due to Covid-19, Health & Social Care underspend carry forward, Primary Care Improvement Funding and non-recurring support from NHS Tayside.

Jane M Smith
Chief Financial Officer

Appendices

Appendix 1 - Summary Financial Position
Appendix 2 - Hosted Services
Appendix 3 - 2020/21 Savings Delivery
Appendix 2 - IJB Reserves

	NHS Directed Services		Social Care		Health & Social Care Partnership	
	Budget £'000	Final Out-turn Over / (Under) £'000	Budget £'000	Final Out-turn Over / (Under) £'000	Budget £'000	Final Out-turn Over / (Under) £'000
Older People Services	27,746	(885)	42,767	(1,781)	70,513	(2,666)
Adult Support & Wellbeing Services	4,530	(350)	24,210	(999)	28,740	(1,349)
Other Community Services	0	0	4,631	(158)	4,631	(158)
Management/Commissioned/Other	23,718	(171)	(14,569)	12	9,149	(159)
Sub-Total Hospital & Community Health	55,994	(1,406)	57,039	(2,926)	113,033	(4,332)
P&K IJB Hosted Services	9,945	(597)	0	0	9,945	(597)
Hosted Services Recharges	5,420	197	0	0	5,420	197
Sub-Total Hosted Services	15,365	(400)	0	0	15,365	(400)
GP Prescribing/Other FHS	27,001	0	0	0	27,001	0
General Medical Services/ Family Health Services	48,361	(106)	0	0	48,361	(106)
Sub-Total Core Position	146,721	(1,912)	57,039	(2,926)	203,760	(4,838)
Financial Plan Deficit	(1,175)	951	0	0	(1,175)	951
Total P&K HSCP	145,546	(961)	57,039	(2,926)	202,585	(3,887)
Large Hospital Set-Aside	16,177	0	0	0	16,177	0

HOSTED SERVICES POSITION

Appendix 2

Services Hosted in Perth & Kinross IJB on behalf of Tayside IJBs	Annual Budget	Actual Variance Over / (Under)
	£'000	£'000
PERTH & KINROSS HOSTED SERVICES (excl Financial Plan Deficit)	9,620	(379)
Less: Covid Costs included in Local Mobilisation Plan	0	(218)
HOSTED SERVICES ATTRIBUTABLE TO ANGUS & DUNDEE IJBs	6,397	(332)
BALANCE ATTRIBUTABLE TO PERTH & KINROSS		(265)
Services Hosted in Angus & Dundee on behalf of Perth & Kinross IJB	Annual Budget	Actual Variance Over / (Under)
	£'000	£'000
PERTH & KINROSS SHARE OF SERVICES HOSTED IN DUNDEE		
Palliative Care	6,401	279
Brain Injury	1,820	154
Homeopathy	29	6
Psychology	5,805	(460)
Psychotherapy (Tayside)	999	74
Dietetics (Tayside)	3,663	32
Sexual & Reproductive Health	2,287	(453)
Medical Advisory Service	106	(48)
Tayside Health Arts Trust	65	(12)
Learning Disability (Tay Ahp)	866	(116)
Balance of Savings Target/Uplift Gap	(510)	594
Grand Total	21,531	52
Perth & Kinross Share (33.5%)		16
PERTH & KINROSS SHARE OF SERVICES HOSTED IN ANGUS		
Forensic Service	1,033	267
Out of Hours	8,167	362
Tayside Continence Service	1,515	(29)
Pharmacy	2,759	0
Speech Therapy (Tayside)	1,225	(108)
Balance of Savings Target/Uplift Gap	17	31
Grand Total	14,716	522
Perth & Kinross Share (33.5%)		174
TOTAL PERTH & KINROSS SHARE OF SERVICES HOSTED ELSEWHERE		190
Less: Covid Costs included in Local Mobilisation Plan		(325)
SUB-TOTAL PERTH & KINROSS SHARE OF SERVICES HOSTED ELSEWHERE		(135)
TOTAL PERTH & KINROSS SHARE OF ALL HOSTED SERVICES	0	(400)

APPENDIX 3

PKIJB Financial Plan
2020/21
as at March 2021

Description	Planned £m	Actual	Variance / (-) Surplus £m
		Delivered Year End £m	
Ring fenced Surplus for Health Services within 2019/20 Financial Plan	0.457	0.457	-
Relocation from Highland House	0.048	0.048	-
Integration of Health & Social Care Teams	0.267	0.083	0.184
Redesign of Rehabilitation Beds	0.240	0.000	0.240
General Pharmaceutical Services Budget Realignment	0.880	0.880	-
Quality, Safety & Efficiency in Prescribing	0.412	0.192	0.220
Prescribing Management Group Savings Plan	0.094	0.094	-
Single Handed Care	0.100	0.100	-
Review of Supported Living	0.160	0.160	-
Review of Care Home Placements	0.462	0.230	0.232
Transformation of Services for People with Complex Care Needs	0.500	0.221	0.279
Review of Care at Home	0.100	0.100	-
Contributions Policy	0.273	0.000	0.273
Totals	3.993	2.565	1.428

APPENDIX 4 IJB RESERVES

In March 2017 (IJB Report G/17/51) the IJB described and agreed its 'Reserves Policy'. This set out that the IJB may hold both 'ear-marked' reserves and general reserves. Ear-marked reserves will generally be for specific projects or ear-marked due to specific constraints or factors regarding funding, while general reserves are intended to assist the IJB manage its overall resources over the longer term. The IJB agreed it would set itself a target of having a general reserves equivalent to 2% of approved budgets (c£3.8m).

As at March 2020, the IJB's Annual Accounts showed that Perth & Kinross IJB had £1.159m of earmarked reserves.

Earmarked reserves will most likely be for specific projects and may be triggered by specific factors regarding funding.

As reported at the last IJB, reserves previously held at Scottish Government for Primary Care Improvement, Mental Health Action 15 and Alcohol and Drug Partnerships, have now transferred to IJBs. In addition to this, funding has been received from Scottish Government for additional priorities, these include Community Living Change Fund, District Nursing and Drug Deaths.

The table below sets out the year-end position as at 31 March 2021.

	Balance as at 1 April 2020	Increase / (Decrease)	Balance as at 31 March 2021
	£000	£000	£000
Primary Care Improvement Fund	66	1,608	1,674
Mental Health Action 15 Fund	19	152	171
Primary Care Transformation Fund	355	(27)	328
Alcohol and Drug Partnership Fund	206	316	522
Partnership Transformation Fund	431	(23)	408
GP Premises Improvement Fund	82	(18)	64
Community Living Change Fund	0	505	505
Winter Planning Fund	0	188	188
District Nursing Fund	0	61	61
Reduce Drugs Death Fund	0	67	67
Drugs Death Task Force	0	78	78
COVID 19 Fund	0	4,547	4,547
Health Reserves Fund (NHS Tayside)	0	1,400	1,400
20/21 Health Operational Underspend	0	961	961
20/21 Social Care Operational Underspend	0	2,926	2,926
Closing Balance at 31 March 2021	1,159	12,741	13,900

Note - The Out of Hours funding for Tayside is being carried forward by Angus as the Host IJB. This is being carried forward on behalf of all 3 IJBs in a ring fenced reserve.



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21 JUNE 2021

KEY STRATEGIC PERFORMANCE INDICATOR REPORT FOR THE PERIOD TO DECEMBER 2020: QUARTER 3 OF 2020/21

Report by the Chief Officer (Report No. G/21/71)

PURPOSE OF REPORT

The purpose of this report is to update the Audit & Performance Committee in respect to Health and Social Care Partnership performance. This report focuses on Quarter 3 and reflects our performance against the National Indicators, including those relating to the Ministerial Strategic Group.

1. RECOMMENDATION(S)

It is recommended that the IJB Audit & Performance Committee:

- Notes the Health and Social Care Partnership's (HSCP) performance for the period to December 2020.
- Notes the update provided in respect to performance on readmissions.

2. SITUATION / BACKGROUND / MAIN ISSUES

On the 15th February 2021 the Audit and Performance Committee considered a partnership performance reporting covering quarter 2, the period to September 2020. We continue to progress our ambition to bring forward quarterly performance reports to the Audit and Performance Committee and in doing so this report covers quarter 3. Appendix 1 sets out performance against the National and Ministerial Strategic Group indicators for this period.

Following this report, we intend to provide the full Annual Performance Report covering the period to 31st March 2021. This will be provided to the IJB at its meeting on 2 August 2021 and will provide an opportunity to present in more detail the activities of Health and Social Care Services during the Pandemic which have contributed to Strategic Commissioning Plan objectives and the national health and well-being outcomes.

Noting the statutory deadline for the publication of the APR, 31st July 2021, the short delay in publication is nonetheless permitted under the extended terms of Coronavirus (Scotland) Act 2020.

3. OVERVIEW

In the year to date (December 2020) partnership performance needs to be considered in the context of the Covid-19 pandemic. Our response required prioritisation of service delivery in order to support those which are most critical. Further to this, this meant that activity flowing in and out of services was severely affected throughout the year.

These complex factors have impacted on demand, activity and capacity to deliver. Bearing these factors in mind, performance is good over the reporting period. In line with the previous report, there are two indicators against which performance appears to be less positive:

- NI 14 rate of readmissions within 28 days: We have worked with Public Health Scotland to assist in the investigation of our readmissions performance. Appendix 2 to this report contains a briefing note which explains the manner in which this indicator is calculated and then examines the raw data in order to provide a fair comparison.

It appears that the primary reason for variance relates to recording practices within NHS Tayside and how this differs from much of the rest of Scotland. When these factors are excluded it can be seen that the readmissions performance compares favourably with Scotland as a whole (Figure 2 of appendix 2).

In respect to comparisons against historical performance it can be seen that there is an apparent increasing trend in readmissions over time from a low in 2017/18 (Figure 3 of appendix 2). However, when the nature of the population is taken into account it can be seen that this apparent increase is not out with that which could be expected (Figure 4 of appendix 2).

- NI 16 rate of falls in the 65+ age group: It can be seen that there has been no further movement in this rate from quarter 2 to quarter 3 with a 0.81% marginal decline in performance from that achieved in 2019/20. Performance when compared to Scotland however appears to have declined slightly from last quarter to this with a movement from 5.8% to 6.8% below the rate for Scotland.

The reason for this relative decline is not fully understood but work is continuing with colleagues across, NHS Tayside, Perth and Kinross Council and Public Health Scotland to analyse the relevant data, and to link those data sets together across statutory partner boundaries. This will create the opportunity for a better understanding of where falls are occurring (at home or elsewhere), whether they are repeated falls and critically whether those people that have had a fall are known to our services or not.

Notwithstanding the need to continue this research, it's is recognised that the demography of Perth and Kinross may be a significant contributing factor. We have a proportionately higher number of over 75's compared to much of the rest of Scotland.

The variance in the demographic structure of the population in Perth and Kinross from that of Scotland can make comparisons difficult. Developing a target based approach, combined with alignment to areas with similar demography will assist in contextualising relative performance.

4. CONCLUSION

The Covid-19 pandemic has had a complex and multifaceted impact on the delivery of Health and Social Care Services throughout this period. In some instances this has reduced the range of services that could be delivered with staff being mobilised to support our most critical services.

Bearing this complex landscape in mind, including the impact that the pandemic has had on individuals, communities and our services, performance has improved significantly from previous reporting periods and compares well against Scotland as a whole.

Author(s)

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APPENDICES

1. Perth and Kinross Health and Social Care Partnership, Key Strategic Performance Indicator Report covering the period to December 2020 (Quarter 3)
2. Public Health Scotland, Briefing Note: P&K Readmissions Study

Appendix 1 - Perth and Kinross Health and Social Care Partnership, Key Strategic Performance Indicator Report covering the period to September 2020 (Quarter 2)

ID	Indicator	Measure	2019/20 data		Quarter 3 data			Quarter 3 Comparators			Comments
			Scotland	Perth & Kinross	Scotland	Perth & Kinross	Period	P&K Movement from APR 19/20	P&K % movement from APR 19/20	P&K compared to Scotland to date	
NI-11	Premature Mortality Rate per 100,000	Rolling 12 month rate	432	350	na	na	na	na	na	na	Only available annually
NI-12	Rate of emergency admissions per 100,000 population for adults (18+ all specialities)	Rolling 12 month rate	12,602	11,513	10,843	10,597	Dec-20	-915.55	-7.95%	-2.32%	Performance has improved this quarter by 7.95% compared to 2019/20. This improvement in performance is similarly evident against Scotland. The improvement against Scotland needs also to be considered bearing in mind that Scotland overall has reduced the rate of emergency admissions. Perth and Kinross has therefore improved relative to historical performance and at a faster pace than that of Scotland as comparator.
NI-13	Rate of emergency bed day per 100,000 population for adults (18+)	Rolling 12 month rate	117,478	106,791	100,997	94,545	Dec-20	-12245.81	-11.47%	-6.82%	The rate of emergency bed days has improved by 11.47% in Q3 when compared to 2019/20. This represents a sustained improvement from a 6.9% reduction in Q2. Considering performance against Scotland the rate of emergency admissions in Q3 is now 6.82% lower than Scotland when it was 6.2% below Scotland in Q2.
NI-14	Readmissions to hospital within 28 days of discharge per 1,000 discharges (18+)	Rolling 12 month rate	104	115	107	121	Dec-20	5.83	5.07%	11.75%	Although performance against this indicator appears to be out with target, detailed analysis (Appendix 2) indicates there is little evidence to support this conclusion. Data recording practices are the primary reason for how this appears
NI-15	Proportion of last 6 months of life spent at home or in a community setting	Rolling 12 month rate	88.63%	89.76%	90.17%	90.43%	Dec-20	0.67%	0.67%	0.26%	Performance against this indicator has improved marginally in Q3 against all comparators: P&K in Q2 and 2019/20 and against Scotland in the year to date.
NI-16	Falls rate per 1,000 population (65+)	Rolling 12 month rate	22.69	22.70	21.32	22.88	Dec-20	0.18	0.81%	6.82%	The rate of falls has increased in Q3 when compared to 2019/20 but is stable against Q2 and remains within the target range. Compared to Scotland however the rate is 6.82% higher and this represents an apparent reduction in performance.
NI-17	Proportion of Care Services rated good or better in Care Inspectorate inspections	Rolling 12 month rate	82.00%	86.00%	na	na	na	na	na	na	Only available annually
NI-18	Percentage of 18+ with intensive social care needs receiving Care at Home	Rolling 12 month rate	62.1%	60.7%	na	na	na	na	na	na	Only available annually
NI-19	Number of days people aged 75+ spend in hospital when they are ready to be discharged per 1,000 population	Rolling 12 month rate	783	644	549	299	Dec-20	-345.30	-53.62%	-83.79%	The Q3 performance (299) against this indicator has again improved significantly against both Q2 (406) and against Scotland's performance in the year to date (549). This sustained improvement in performance needs to be considered in light of the pandemic and the significant investments in Health and Social Services targeted at reducing the number/rate of DDs. This can be seen more clearly when comparing performance to Scotland as whole as the pandemic effect is less relevant.
NI-20	Percentage of health and care resource spent on hospital stays where the patient was admitted as an emergency	Rolling 12 month rate	25.95%	24.9%	na	na	na	na	na	na	Quarterly data not yet available

Green	We are within 3%, or are meeting or exceeding the number we compare	Amber	We are between 3% and 6% away from meeting the number we compare against	Red	We are more than 6% away from meeting the number we compare against
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Data is provisional and is subject to validation.

Appendix 1 (continued) Perth and Kinross Health and Social Care Partnership, Key Strategic Performance Indicator Report covering the period to September 2020 (Quarter 2)

ID	Indicator	Measure	2019/20 data		Quarter 3 data			Quarter 3 Comparators			Comments
			Scotland	Perth & Kinross	Scotland	Perth & Kinross	Period	P&K Movement from APR 19/20	P&K % movement from APR 19/20	P&K compared to Scotland to date	
MSG 1a	Emergency admissions per 100,000 population (all ages in acute hospitals)	Rolling 12 month rate	na	10,319	na	9,341	Dec-20	-977.95	-9.48%	na	This indicator is closely linked to NI12 with a varying patient population. Similarly, performance has improved in Q3 from Q2 and against 2019/20.
MSG 2a	Number of unscheduled hospital bed days; acute specialties per 100,000 population	Rolling 12 month rate	na	69,876	na	59,252	Dec-20	-10623.89	-15.20%	na	This indicator is closely linked to MSG1a. With a reduction in emergency admission a reduction in unscheduled bed days may also be expected. Performance against this measure improved by 11.4% in Q2 against 2019/20 and has improved again (15.20%) in Q3 against that comparator period.
MSG 3	A&E attendances per 100,000 population	Rolling 12 month rate	na	22,641	na	15,696	Dec-20	-6,945.05	-30.67%	na	Performance against this indicator has again improved. In Q2 performance improved against 2019/20 by 22.2%. In Q3 a further improvement has been achieved with A&E attendances dropping by 30.67% compared to 2019/20. Reduced activity levels of individuals and communities will have contributed to reductions in A&E attendance however the sustained improvement in Q3 suggests that investment in multi-disciplinary community based services across Health and Social Care has also improved the planning and provision of services to patients reducing the need for emergency admissions.
MSG 4.1	Delayed Discharge bed days per 100,000 population	Rolling 12 month rate	na	8,170	na	5,009	Dec-20	-3160.91	-38.69%	na	This indicator is linked to NI19 but covers a broader patient population. Similar to NI-19 performance against this indicator has improved in a sustained manner. Compared to 2019/20, in Q2 performance improved by 19.9% and in Q3 this improvement increased to 38.69%.
MSG 5	Proportion of last 6 months of life spent at home or in a community setting	Rolling 12 month rate	na	89.93%	na	90.43%	Dec-20	0.50%	0.50%	na	Only available annually
MSG 6.1	Percentage of Population at home unsupported	Rolling 12 month rate	na	na	na	na	Dec-20	na	na	na	Only available annually

Green	We are within 3%, or are meeting or exceeding the number we compare	Amber	We are between 3% and 6% away from meeting the number we compare against	Red	We are more than 6% away from meeting the number we compare against
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Data is provisional and is subject to validation.



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21 JUNE 2021

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer (G/20/72)

PURPOSE OF REPORT

The purpose of this report is to provide an update on the Integration Joint Board (IJB) Strategic Risk Register and the improvement actions being taken to mitigate the risks.

1. BACKGROUND

- 1.1 The IJB Strategic Risk Register is reported to the IJB Audit and Performance Committee on a quarterly basis. As a key part of its governance process, the Strategic Risk Register examines the risks that impact on the IJB's ability to deliver its Strategic Commissioning Plan. The IJB's Audit and Performance Committee oversees risk management arrangements; this includes receipt, review and scrutiny of reports on strategic risks and escalation of any issues that require to be brought to the IJB's attention.
- 1.2 Perth & Kinross Health and Social Care Partnership's Executive Management Team (EMT) monitors and reviews identified risks and the associated actions on an ongoing basis as follows:
 - Priority 1 (Red) : minimum 4 weekly
 - Priority 2 (Amber) : minimum 8 weekly
 - Priority 3 (Yellow): minimum 12 weekly
 - Priority 4 (Green): minimum 6 monthly

2. STRATEGIC RISK IMPROVEMENT PLAN

- 2.1 At its meeting on the 15th February 2021, the Audit and Performance Committee were advised that a strategic risk improvement plan was under development and that this would accompany the full risk register at the next meeting. The strategic risk improvement plan is attached at Appendix 2.

- 2.2 Strategic risk improvement actions have been designed to improve either the range of controls in place or improve the effectiveness of existing controls. They will consequently help to reduce the likelihood of these risks occurring and/or lessen their impact if they do occur. Accordingly, as part of this process consideration has been given to potential movements in risk scores and this will be kept under review as an integral part of our approach to risk management

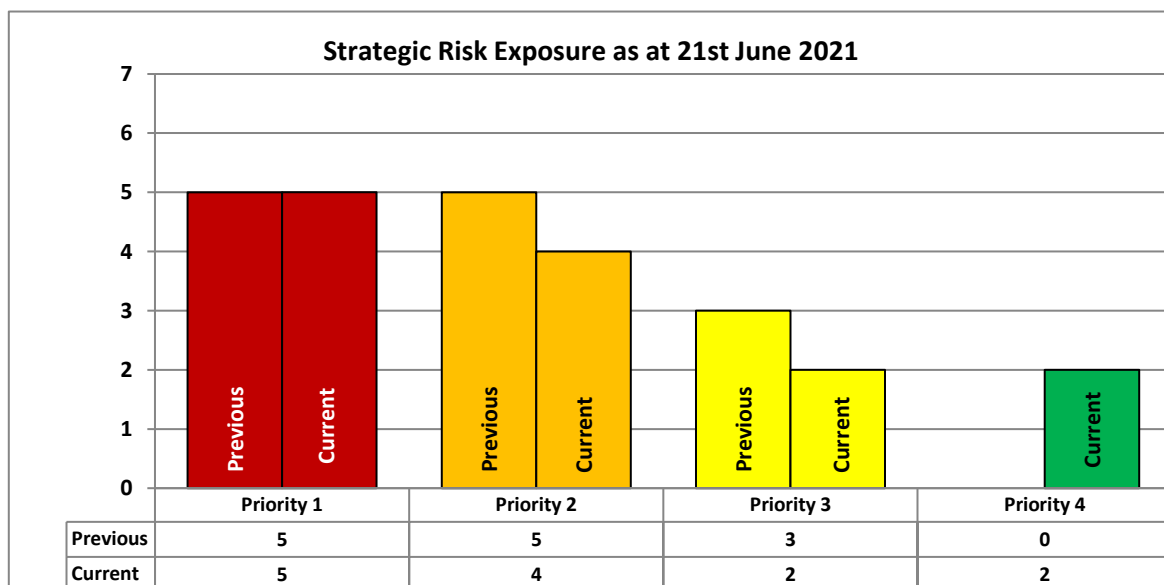
3. CHANGES TO STRATEGIC RISKS / RISK EXPOSURE

- 3.1 Progress against the implementation of risk improvement actions and other commitments, for example via audit recommendations, has now been reviewed and accordingly our Strategic Risks have now been reassessed and/or rescored as set out below.

Risk	Impact	Probability	Current Score	Justification	Impact	Probability	Current Score	Change
SR01 Financial Resources	5	4	20	No change	5	4	20	<>
SR02 Workforce	5	4	20	The completion of our 1 year plan has demonstrated the challenge the Partnership faces. The increasing age of our workforce and demanding demographic issues shows that significant work is required to mitigate the risk. The risk therefore remains extreme. Contingency plans are being implemented in respect to areas of greatest risk.	5	4	20	<>
SR03 Safe Working	3	3	9	As the pandemic has begun to ease and services have remobilised, a significant lack of clinical and general accommodation capacity has emerged in some services/sites due to social distancing required to maintain safety and additionally due to how service delivery has changed as a result of the pandemic. This is an extreme risk to the delivery of our strategic aims.	4	4	16	↑
SR04 Sustainable Capacity and Flow	5	3	15	The Partnership is facing further significant challenges to ensure sufficient capacity and flow can be maintained. As such further improvement actions have been identified through the development of a contingency plans. These seek to mitigate the short, medium and longer term issues being experienced.	5	4	20	↑
SR05 Sustainable Digital Solutions	4	3	12	No change	4	3	12	<>
SR06 Viability of External Providers	5	3	15	Providers have coped well with the impact of Covid and are beginning to emerge and prepare for some sense of normality, no providers have proved unviable during the pandemic. Ongoing engagement, analysis, monitoring and oversight of occupancy levels continues with no reports of providers being unable to deliver services.	4	2	8	↓
SR07 Insufficient Preparedness for Future COVID-19 (or other pandemic)	5	2	10	A review of the COVID Command Structure is nearing completion. This will make sure lessons learnt from pandemic are taken into account to ensure robust systems and processes are in place.	5	1	5	↓

Risk	Impact	Proability	Current Score	Justification	Impact	Proability	Current Score	Change
SR08 Widening Health Inequalities	3	4	12	No change	3	4	12	<>
SR09 Leadership Team Capacity	4	4	16	The Chief Officer has engaged with Staff Side and HR to progress the planned restructure over the coming months, in the context of both statutory partners' Organisational Change Policies. This will ensure adequate capacity across the organisation in response to the deficits identified in the Joint Inspection Report, the Annual Governance review and previous Audit Reports.	4	3	12	↓
SR10 Corporate Support	4	4	16	Chief Officer is now working with the EMT to progress a restructure of the HSCP that will seek to ensure adequate capacity across the organisation to improve functioning and effectiveness and address identified capacity shortfalls, within available finance.	4	3	12	↓
SR11 Primary Care	4	4	16	No change	4	4	16	<>
SR12 EU Withdrawal	4	2	8	The transition period that was in place ended on 31 December 2020. The rules governing the new relationship between the EU and UK took effect on 1 January 2021 with no apparent effects.	4	1	4	↓
SR13 Inpatient Mental Health Services	3	3	9	No change	3	3	9	<>
<> No change in risk exposure ↑ Increase in risk exposure ↓ Decrease in risk exposure								

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4. FULL STRATEGIC RISK REGISTER

- 4.1 The updated strategic risk register, incorporating the changes detailed above, is presented at Appendix 1.

5. TAYSIDE IJB RISK MANAGEMENT STRATEGY

- 5.1 At its meeting of the 15th January 2016, Perth and Kinross Integration Joint Board adopted a Risk Management Strategy and Policy which had been developed in partnership by the three Tayside Health and Social Care Partnerships, the three Tayside Local Authorities and NHS Tayside. This fulfilled a commitment in the Integration Schemes to jointly develop such a strategy.
- 5.2 Over the last 18 months the Tayside Risk Management Group consisting of risk management leads from each of the Tayside Health and Social Care Partnerships, Local Authorities and NHS Tayside has collaborated (with considerable disruption due to the Covid pandemic response) to review the 2016 Tayside strategy reflecting the experience of all parties and considering best practice.
- 5.3 The revised Tayside Risk Management Strategy was approved by Perth & Kinross IJB on 23rd April 2021 and also approved by the other Tayside IJBs. The new strategy is attached at Appendix 3.

6. NEXT STEPS

- 6.1 The risk scores, controls and improvement actions for each of the risks will continue to be reviewed and updated by risk owners, supporting forums and the Executive Management Team as per the frequency set out in the reviewing and reporting schedule included in the Partnership's Risk Management Framework.
- 6.2 An IJB workshop on risk and consideration of risk tolerance will take place on 25th August 2021.

7. RECOMMENDATIONS

The Audit and Performance Committee is asked to:

- i) Note the IJB's Strategic Risk Register and Strategic Risk Improvement Plan.
- ii) Note the approved Tayside Risk Management Strategy.

Author(s)

Name	Designation	Contact Details
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Appendices

Appendix 1 – Perth & Kinross IJB Strategic Risk Register

Appendix 2 – Strategic Risk Improvement Plan

Appendix 3 – Tayside Risk Management Strategy



Perth & Kinross Health and Social Care Partnership Strategic Risk Register

Version 2.31

Perth & Kinross Health and Social Care Partnership

Risk Ref.	Risk	EMT Risk Owner	Priority	Status
SR01	<u>FINANCIAL RESOURCES</u> : There are insufficient financial resources to deliver the objectives of the Strategic Plan.	Head of Finance and Corporate Services	1	↔
SR02	<u>WORKFORCE</u> : As a result of our ageing workforce, difficulties in recruiting suitably skilled and experienced staff in some areas, and the impact of COVID-19, there is a risk that the Partnership will be unable to maintain its workforce appropriately leading to unsustainable services.	Heads of Service	1	↔
SR03	<u>SAFE WORKING</u> : There is a risk that COVID-19 restrictions on safe working practice and social distancing leads to a reduction in service provision inhibiting the ability of the Partnership to achieve its strategic aims.	Head of Health	1	↑
SR04	<u>SUSTAINABLE CAPACITY AND FLOW</u> : As a result of the demographics of the people who use our services in Perth and Kinross and the impact of COVID-19 on our population there is a risk of 'capacity and flow' within our services being unsustainable.	Head of Health	1	↑
SR05	<u>SUSTAINABLE DIGITAL SOLUTIONS</u> : As a result of being insufficiently digitally enabled or integrated there is a risk that the Partnership will not be able to adapt effectively and efficiently to deliver new models of working.	Interim Head of Adult Social Care (Commissioning)	2	↔
SR06	<u>VIABILITY OF EXTERNAL PROVIDERS</u> : As a result of social care market conditions, availability of services, and COVID-19, there is a risk that external providers of care will not be able to meet people's assessed needs in the most appropriate way.	Interim Head of Adult Social Care (Commissioning)	3	↓
SR07	<u>INSUFFICIENT PREPAREDNESS FOR FUTURE COVID-19 (OR OTHER PANDEMIC) PRESSURES</u> : Due to the scale of future COVID-19 outbreaks being unknown, there is a risk that preparations to sustain service provision will be insufficient.	Chief Officer	4	↓
SR08	<u>WIDENING HEALTH INEQUALITIES</u> : As a consequence of COVID-19 there is a risk that health inequalities widen significantly.	Chief Officer	2	↔
SR09	<u>LEADERSHIP TEAM CAPACITY</u> : As a result of insufficient capacity in the Leadership Team there is a risk that the clear direction and leadership required to achieve the vision for integration is not achieved.	Chief Officer	2	↓
SR10	<u>CORPORATE SUPPORT</u> : As a result of insufficient Corporate staff resource there is a risk that functions (such as improvement and project support, robust administration as well as core corporate duties such as performance, risk management, strategic planning, governance and audit) will be Service unable to deliver as required to achieve strategic objectives.	Head of Finance and Corporate Services	2	↓
SR11	<u>PRIMARY CARE</u> : As a result of insufficient suitable and sustainable premises, and a lack of available national and cross-system flow of financial support, there is a risk that we will not be able to provide, within the legislative timeframe, the necessary services as defined within the 2018 General Medical Services Contract.	Clinical / Associate Medical Director	1	↔
SR12	<u>EU WITHDRAWAL</u> : There is a risk that the UK will leave the EU without the necessary provisions in place to safeguard supplies, protect staff and reduce the effects of vulnerable UK citizens returning to the area, impacting on the ability of the IJB to ensure the sustainable delivery of Health and Care Services.	Head of Health	4	↓
SR13	<u>INPATIENT MENTAL HEALTH SERVICES</u> : There is a risk that due to the complexity of the governance arrangements for Inpatient Mental Health Services Perth and Kinross IJB will not be able to meet its Strategic Planning responsibilities.	Chief Officer	3	↔
<> No change in risk exposure		↑ Increase in risk exposure	↓ Decrease in risk exposure	

Perth & Kinross Health and Social Care Partnership

SR01: FINANCIAL RESOURCES

Risk Owner: Head of Finance and Corporate Services

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 4 weekly minimum

Description of Risk: There are insufficient financial resources to deliver the objectives of the Strategic Plan

Risk Related to Achievement of Strategic Aim: Making best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 1

Risk Movement: (↑, ↔, ↓)

↔ NO CHANGE IN RISK EXPOSURE

Risk Exposure Rating Priority 1: Risk remains extreme even after all identified controls and treatments have been applied. There are significant risks, which may have a serious impact on the Partnership and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)
5	5	5	4
Inherent Score: 25		Residual Score: 20	

Impact	Critical	5	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Minor	2	4	6	8	10
	Insignificant	1	2	3	4	5
		Very Low	Low	Medium	High	Very High
Probability						

Existing Controls:

- A Financial Plan is approved annually as part of a 3 Year Financial Plan. This includes an efficiency savings and service redesign programme to support long term sustainability.
- Annual Budget Negotiation Process (PKC & NHST) is supported by robust budget review/due diligence process
- Effective member and officer working on development of the Budget through IJB BRG Process
- Financial Position is reported to each meeting of the IJB and is a standard item on the agenda.
- An IJB Reserves Strategy is in place.
- Regular informal meetings with NHS Tayside Director of Finance and PKC Head of Finance

Risk Overview:

The public sector economic landscape has been challenging for a number of years and the impact of demographic growth places an increasing pressure on demand for health and social care services in particular. Therefore the inherent Financial Resources risk is extreme. Controls are in place to reduce the risk exposure and they are working effectively, however they have a limited effect in reducing the overall residual score of the risk. Furthermore the financial implications of Covid are not yet fully known and may further raise the exposure level of this risk. As such the risk remains extreme and will be monitored and assessed at regular intervals.

The rapid development of 3 Year Strategic Delivery Plans across services considering the implications of Covid and the service redesign required to respond to demographic growth and increased complexity in an integrated way will be key to ensuring ongoing financial sustainability.

Existing control rating:  – Controls are working effectively.

Perth & Kinross Health and Social Care Partnership

SR02: WORKFORCE

Risk Owner: Heads of Service

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 4 weekly minimum

Description of Risk: As a result of our ageing workforce, difficulties in recruiting suitably skilled and experienced staff in some areas, and the impact of COVID-19, there is a risk that the Partnership will be unable to maintain its workforce appropriately leading to unsustainable services

Risk Related to Achievement of Strategic Aim: 5. Making best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 1

Risk Movement: (↑, ↔, ↓)

↔ NO CHANGE IN RISK EXPOSURE

Risk Exposure Rating Priority 1: Risk remains extreme even after all identified controls and treatments have been applied. There are significant risks, which may have a serious impact on the Partnership and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
Inherent Score: 25		Residual Score: 20		Probability						

Existing Controls:

- Current workforce development strategy is being revised and updated to reflect future needs in line with Scottish Government deadline of 31 March 2022
- SLWG in place to Commence the refresh of the partnership Workforce Development Strategy and development plan
- Established, robust recruitment processes in place within statutory partner organisations
- Interim HSCP workforce plan for 2021/22 in place.

Risk Overview:

The extreme pressures experienced through the Covid pandemic has exasperated shortages in the availability of suitably qualified and experienced staff to sustain services. Beyond the pandemic, shortages in the available workforce is recognised nationally in respect to Health and Care Services. Although the current controls seek to reduce our exposure their effect is limited by the acute nature of this risk when considering, for example, rising demands for services and the age profile of our workforce.

The completion of our 1 year plan has demonstrated the challenge the Partnership faces. The increasing age of our workforce and demanding demographic issues shows that significant work is required to mitigate the risk. The risk therefore remains extreme.

Contingency plans are being implemented in respect to areas of greatest risk.

Existing control rating: **C** - Significant Controls not operating effectively

Perth & Kinross Health and Social Care Partnership

SR03: SAFE WORKING

Risk Owner: Head of Health

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 4 weekly minimum

Description of Risk: There is a risk that COVID-19 restrictions on safe working practice and social distancing leads to a reduction in service provision inhibiting the ability of the Partnership to achieve its strategic aims.

Risk Related to Achievement of Strategic Aim: Making best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 1

Risk Movement: (↑, ↔, ↓)

↑ **INCREASE IN RISK EXPOSURE**

Risk Exposure Rating Priority 1: Risk remains extreme even after all identified controls and treatments have been applied. There are significant risks, which may have a serious impact on the Partnership and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
Inherent Score: 25		Residual Score: 16		Probability						

Existing Controls:

- Perth & Kinross HSCP Health and Safety Group – providing oversight of partnership wide Safe Working, including compliance with Scottish Government guidance
- Statutory Partner Policies and Procedures on Health and Safety and Safer Working are in place having been reviewed in respect to COVID-19 pandemic.
- HSCP membership and attendance at Statutory Partner Health and Safety Committees/Groups which provide oversight of staffing/employer health and safety compliance
- P&K HSCP Partnership Forum – Health and Safety and Safer working is a key consideration of the Forum.

Risk Overview:

Actions put in place near the beginning of the Covid-19 pandemic such as the completion of all physical distancing risk assessments for all health and social care settings, strict compliance with Scottish Government Safer Working guidelines and statutory partner policies and procedures initially reduced the risk exposure to a manageable level.

However as the pandemic has begun to ease and services have remobilised, a significant lack of clinical and general accommodation capacity has emerged in some services/sites due to social distancing required to maintain safety and additionally due to how service delivery has changed as a result of the pandemic. This is an extreme risk to the delivery of our strategic aims.

The Partnership continues to be engage with statutory partners to maintain control effectiveness and the risk will continue to be monitored and assessed.

Existing control rating: **C** – Significant controls not operating effectively

Perth & Kinross Health and Social Care Partnership

SR04: SUSTAINABLE CAPACITY AND FLOW

Risk Owner: Head of Health

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 8 weekly minimum

Description of Risk: As a result of the demographics of the people who use our services in Perth and Kinross and the impact of COVID-19 on our population there is a risk of 'capacity and flow' within our services being unsustainable.

Risk Related to Achievement of Strategic Aim:

1. Working together with Communities
2. Prevention and Early Intervention
3. Person-centred health, care and support
4. Reducing Inequalities and unequal health outcomes and promoting healthy living

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 1

Risk Movement: (↑, ↔, ↓)

↑ INCREASE IN RISK EXPOSURE

Risk Exposure Rating Priority 1: Risk remains extreme even after all identified controls and treatments have been applied. There are significant risks, which may have a serious impact on the Partnership and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
5	5	5	4		Probability					
Inherent Score: 25		Residual Score: 20								

Existing Controls:

- HSCP Capacity and Flow strategic portfolio provides local management, ownership and control of the whole system that supports capacity and flow through our services
- NHS Tayside Unscheduled Care Board supports the wider development of strategic direction.
- HSCP Performance Framework details the key performance measures which relate to Capacity and Flow. These are reviewed routinely across the organisation
- Winter Planning Group oversees the Winter Plan and ensures that services are fit for purpose.

Risk Overview:

The inherent Capacity and Flow risk is significant. The Covid pandemic is continuing to have a significant impact operationally on Capacity and Flow within our services and whilst Controls are in place to mitigate the likelihood of the risk event occurring, they are not sufficiently effective to control the risk below an extreme level.

Further improvement actions have been identified through the development of a contingency plan. These seek to mitigate the short, medium and longer term issues being experienced.

The development of 3 Year Strategic Delivery Plan will be progressed for Older People's Services. This will include the review of current approved plans, analysis of Covid-19 impact and remobilisation requirements.

Existing control rating: **B** - Not all controls are fully effective

Perth & Kinross Health and Social Care Partnership

SR05: SUSTAINABLE DIGITAL SOLUTIONS

Risk Owner: Interim Head of Adult Social Care (Commissioning)

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 8 weekly minimum

Description of Risk: As a result of being insufficiently digitally enabled or integrated there is a risk that the Partnership will not be able to adapt effectively and efficiently to deliver new models of working.

Risk Related to Achievement of Strategic Aim:

1. Working together with Communities
2. Prevention and Early Intervention
3. Person-centred health, care and support
4. Reducing Inequalities and unequal health outcomes and promoting healthy living

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 2

Risk Movement: (↑, ↔, ↓)

↔ NO CHANGE IN RISK EXPOSURE

Risk Exposure Rating Priority 2: These are significant risks, which may have a serious impact on the Partnership or Service Delivery and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
Inherent Score: 20		Residual Score: 12		Probability						

Existing Controls:

- PKHSCP Technology Enabled Care Digital Strategy Group develops and directs strategy.
- PKHSCP TEC/Digital Portfolio Strategic Action Plan is a scheduled agenda item on EMT, EOT, PKC Digital Board
- Members of the TEC Digital Strategy Group are members of the NHST/LA Tayside Digital Transformation Partnership (TDTP)
- PKC Information Governance has oversight and supplies guidance.
- PKHSCP TEC Digital Steering Group Scrutinises and escalates to Strategy group as required
- Signed Data Sharing Agreements are in place between NHST/PKC/PKHSCP/ISD and between PKC/NHS NSS/Scottish Government

Risk Overview:

The inherent risk of insufficient digital enablement is extreme; however the effectiveness of existing controls has reduced our risk exposure from the inherent score.

Improvement actions have been identified with a governance framework for the delivery of the digital strategy across the Partnership now completed.

The risk will continue to be monitored and assessed due to the pace of change in this environment.

Existing control rating: **B** - Not all controls are fully effective

Perth & Kinross Health and Social Care Partnership

SR06: VIABILITY OF EXTERNAL PROVIDERS

Risk Owner: Interim Head of Adult Social Care (Commissioning)

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 8 weekly

Description of Risk: As a result of social care market conditions, availability of services, and COVID-19, there is a risk that external providers of care will not be able to meet people's assessed needs in the most appropriate way.

Risk Related to Achievement of Strategic Aim:

1. Working together with Communities
2. Prevention and Early Intervention
3. Person-centred health, care and support
4. Reducing Inequalities and unequal health outcomes and promoting healthy living
5. Making best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 2

Risk Movement: (↑, ↔, ↓)

↓ **DECREASE IN RISK EXPOSURE**

Risk Exposure Rating Priority 2: These are significant risks, which may have a serious impact on the Partnership or Service Delivery and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
Inherent Score: 25		Residual Score: 8			Probability					

Existing Controls:

- Local and national contractual arrangements provide a recognised framework for commissioned services
- Maintenance of strong and supportive relationships with providers create routine and regular opportunities to highlight issues of concern
- Care Home oversight group which provides routine and regular monitoring service provision
- Commissioned Services Board provides strategic oversight of commissioned services
- HSCP COVID-19 Governance arrangements which provide direction, scrutiny, oversight and support to ensure sustainability of providers
- Strategic Planning Group remit ensures connectivity to activity within communities with a wide range of stakeholders from each locality are represented in each meeting and that actions coming from this group are in sync with our Strategic Commissioning Plan intentions and are meaningful and related to improved outcomes for those living in Perth and Kinross.

Risk Overview:

Providers have coped very well with the impact of Covid and are beginning to emerge and prepare for some sense of normality. No providers have proved unviable throughout the pandemic. Some turnover in staffing has happened although this is not to the extent that service delivery is anticipated to be impacted.

The risk exposure has therefore decreased and the risk will continue to be monitored as per the schedule.

Existing control rating: A – Controls are working effectively

Perth & Kinross Health and Social Care Partnership

SR07: INSUFFICIENT PREPAREDNESS FOR FUTURE COVID-19 (OR OTHER PANDEMIC) PRESSURES

Risk Owner: Chief Officer

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 6 monthly minimum

Description of Risk: Due to the scale of future COVID-19 outbreaks being unknown, there is a risk that preparations to sustain service provision will be insufficient.

Risk Related to Achievement of Strategic Aim: 4. Reducing inequalities and unequal health outcomes and promoting healthy living
5. Making best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 4

Risk Movement: (↑, ↔, ↓)

↓ **DECREASE IN RISK EXPOSURE**

Risk Exposure Rating Priority 4: Appropriate controls keep the risk low / negligible. These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources. Ensure conditions remain the same and existing actions are operating effectively.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)		Impact	Critical	5	10	15	20	25
						Major	4	8	12	16	20
						Moderate	3	6	9	12	15
						Minor	2	4	6	8	10
						Insignificant	1	2	3	4	5
							Very Low	Low	Medium	High	Very High
							Probability				
5	5	5	1								
Inherent Score: 25		Residual Score: 5									

Existing Controls:

- HSCP Workforce sickness absence modelling provides early warning of potential staffing shortages in light of Scottish Government pandemic modelling
- HSCP Workforce Matching Unit created as part of initial pandemic response to provide assurance to HSCP Executive Leadership of sustainability of services and to coordinate the movement between services where necessary
- COVID-19 Governance Command, Control and Communication Structure including strong links with Statutory partner command structures, ensures robust cross system sightedness of emerging issues and decision making.
- Local Resilience Partnership serves as a Regional Gold Command. HSCP Membership of this group ensures high level insight to emerging issues and decision making and links to wider statutory partners at a strategic level.

Risk Overview:

The measures taken to manage our response to the COVID-19 pandemic has provided insight into what is needed to sustain services despite the challenges faced.

Given the controls which are now in place and the completion of a review of the Command structure the level of risk has been reduced to priority 4.

Existing control rating: **A** - Controls are working effectively

Perth & Kinross Health and Social Care Partnership

SR08: WIDENING HEALTH INEQUALITIES

Risk Owner: Chief Officer

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 8 Weekly minimum

Description of Risk: As a consequence of COVID-19 there is a risk that health inequalities widen significantly.

Risk Related to Achievement of Strategic Aim: 4. Reducing inequalities and unequal health outcomes and promoting healthy living

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 2

Risk Movement: (↑, ↔, ↓)

↔ **NO CHANGE IN RISK EXPOSURE**

Risk Exposure Rating Priority 2: These are significant risks, which may have a serious impact on the Partnership or Service Delivery and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
Inherent Score: 20		Residual Score: 12			Probability					

Existing Controls:

- Strategic Commissioning Plan 2019 documents the strategic ambitions of the IJB including those which relate to health inequalities.
- The HSCP COVID-19 Remobilisation Plan records the actions taken to mobilise services in response to the pandemic.
- The Equalities Strategic Forum provides a platform to ensure that local equality protected groups are represented effectively. This forum contains broad representation across the Community Planning Partnership including from statutory and third sector partners.
- Perth and Kinross Equalities, Empowerment and Fairness workstream (within the Recovery and Renewal agenda) focuses efforts across Council Services in respect to Equalities.

Risk Overview:

The COVID-19 pandemic has created unparalleled pressures on services and communities. Existing controls which are in place to mitigate this risk are assisting us to better understand where inequalities exist and we will work with our Community Planning Partners to determine how best we can reduce them. The risk however remains significant.

Existing control rating: **B** - Not all controls are fully effective

Perth & Kinross Health and Social Care Partnership

SR09: LEADERSHIP TEAM CAPACITY

Risk Owner: Chief Officer

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 8 weekly minimum

Description of Risk: : As a result of insufficient capacity in the Leadership Team there is a risk that the clear direction and leadership required to achieve the vision for integration is not achieved.

Risk Related to Achievement of Strategic Aim: 5. Making best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 2

Risk Movement: (↑, ↔, ↓)

↓ **DECREASE IN RISK EXPOSURE**

Risk Exposure Rating Priority 2: These are significant risks, which may have a serious impact on the Partnership or Service Delivery and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
5	4	4	3		Probability					
Inherent Score: 20		Residual Score: 12								

Existing Controls:

- HSCP Senior Leadership Team in place in the form of the Executive Management Team
- Chief Officer meets regularly with Chief Executive of both PKC and NHS Tayside including discussion on leadership resources
- Regular reporting on Partnership Improvement Plan to IJB Audit & Performance Committee including key actions to increase leadership capacity
- HSCP Covid Gold Command provide ongoing oversight of additional leadership required to support Covid Response and Remobilisation

Risk Overview:

The Chief Officer has engaged with Staff Side and HR to progress the planned Leadership restructure over the coming months, in the context of both statutory partners' Organisational Change Policies. This will endeavour to ensure adequate capacity across the organisation in response to the deficits identified in the Joint Inspection Report, the Annual Governance review and previous Audit Reports.

Existing control rating: **B** - Not all controls are fully effective

Perth & Kinross Health and Social Care Partnership

SR10: CORPORATE SUPPORT

Risk Owner: Head of Finance and Corporate Services

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 8 weekly minimum

Description of Risk: As a result of insufficient Corporate staff resource there is a risk that functions such as improvement and project support, robust administration as well as core corporate duties such as performance, risk management, strategic planning, governance and audit, will be unable to deliver as required to achieve strategic objectives.

Risk Related to Achievement of Strategic Aim: 5. Making best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 2

Risk Movement: (↑, ↔, ↓)

↓ **DECREASE IN RISK EXPOSURE**

Risk Exposure Rating Priority 2: These are significant risks, which may have a serious impact on the Partnership or Service Delivery and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
5	4	4	3		Probability					
Inherent Score: 20		Residual Score: 12								

Existing Controls:

- PKC and NHST have delegated a level of corporate support for local management by PKHSCP
- Corporate Support Agreement in place between PKIJB and NHST/PKC
- Chief Officer meets regularly with Chief Executive of both PKC and NHS Tayside including discussion on leadership and supporting resources
- Corporate Management Team oversee regular review and reporting to Executive Management Team on Corporate Support and prioritisation of existing resources
- Regular reporting on Partnership Improvement Plan to IJB Audit & Performance Committee
- PKHSCP Covid Gold Command provide ongoing oversight of additional leadership and supporting corporate support required to support Covid Response and Remobilisation
- The Annual Budget Setting Process captures all essential pressures/ investments including essential corporate support needs.
- The Covid Remobilisation Plan Process captures essential investment in increased corporate support capacity to ensure effective response and remobilisation.

Risk Overview:

External Audit and Inspection has been helpful in formally recognising material shortfall in levels of corporate support across a number of key areas. The Chief Officer is now working with the Executive Management Team to progress a restructure of the HSCP that will seek to ensure adequate capacity across the organisation to improve functioning and effectiveness and address identified capacity shortfalls, within available finance. Fixed term resources for key priority areas such as workforce planning, performance and wider planning will be recruited within available resources to mitigate risk in the short term whilst the restructure progresses.

Existing control rating: **B** - Not all controls are fully effective

Perth & Kinross Health and Social Care Partnership

SR11: PRIMARY CARE

Risk Owner: Clinical / Associate Medical Director

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 4 weekly minimum

Description of Risk: As a result of insufficient suitable and sustainable premises, and a lack of available national and cross-system flow of financial support, there is a risk that we will not be able to provide, within the legislative timeframe, the necessary services as defined within the 2018 General Medical Services Contract.

Risk Related to Achievement of Strategic Aim:

1. Working together with our communities
2. Prevention and early intervention
3. Person-centred health, care and support
4. Reducing inequalities and unequal health outcomes and promoting healthy living
5. Making the best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 1

Risk Movement: (↑, ↔, ↓)

↔ **NO CHange IN RISK EXPOSURE**

Risk Exposure Rating Priority 1: Risk remains extreme even after all identified controls and treatments have been applied. There are significant risks, which may have a serious impact on the Partnership and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
4	4	4	4		Probability					
Inherent Score: 16		Residual Score: 16								

Existing Controls:

- Perth and Kinross HSCP Primary Care Board fulfils the responsibility of a Programme Board overseeing the Implementation of the Primary Care Improvement Plan, including 2018 General Medical Services Contract
- Regular engagement with Local Medical Committee which jointly approves the development and implementation of new services in support of the 2018 General Medical Services contract
- The Pan-Tayside 2018 General Medical Services Contract Implementation Group assists in the management and delivery of Tayside/HSCP Programmes
- NHS Tayside Primary Care Board considers highlight reports from each HSCP including escalation of risks
- Integration Joint Board - annual report on Primary Care Implementation Plan details progress and issues/risks affecting delivery
- Scottish Government – 6 monthly report on Primary Care Implementation Plan details progress and issues/risks affecting
- Locality Management Team meet regularly to resolve/highlight operational delivery issues
- NHS Tayside governance structure for premises and asset management provides the mechanism for submission of Primary Care premises strategic Plan
- NHS Tayside – over time improving sustainability of GP practice premises by replacing GPs as premises lease holders

Risk Overview:

The risk to primary care services relates to a number of issues with no single cause or solution. The complex and broad nature of this requires a manifold response internally within statutory partners, and externally at a national level. Control measures are in place but they are not fully effective and so improvement actions have been identified. The risk remains extreme.

Perth & Kinross Health and Social Care Partnership

SR12: EU WITHDRAWAL

Risk Owner: Heads of Service

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 6 monthly minimum

Description of Risk: There is a risk that the UK will leave the EU without the necessary provisions in place to safeguard supplies, protect staff and reduce the effects of vulnerable UK citizens returning to the area, impacting on the ability of the IJB to ensure the sustainable delivery of Health and Care Services.

Risk Related to Achievement of Strategic Aim: 5. Making best use of available facilities, people and other resources

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 4

Risk Movement: (↑, ↔, ↓)

↓ **DECREASE IN RISK EXPOSURE**

Risk Exposure Rating Priority 4: Appropriate controls keep the risk low / negligible. These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources. Ensure conditions remain the same and existing actions are operating effectively.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
Inherent Score: 16		Residual Score: 4			Probability					

Existing Controls:

- NHS Tayside EU Exit Group collaborates with partners at a national level and provides direction and oversight in respect to preparedness.
- Perth and Kinross Council Brexit Group has HSCP representation and provides direction and oversight for all PKC services, facilities and citizens and covers everything from settled status to regulatory services, care homes and data storage.
- Tayside Local Resilience Partnership Working Group on EU Exit provides regional coordination and oversight of preparedness across wider statutory partner organisations
- HSCP Governance arrangements are in place to ensure local coordination within services and partners including GP Practices.

Risk Overview:

The uncertainty of future trading arrangements between the UK and EU meant the inherent risk to the sustainability of services was extreme. The controls which are in place combined with the emergent trade agreement have allowed the risk to be effectively managed.

Existing control rating: **A** - Controls are working effectively

Perth & Kinross Health and Social Care Partnership

SR13: INPATIENT MENTAL HEALTH SERVICES

Risk Owner: Chief Officer

Date Added to Register: 22 Oct 2020

Review Date: 24 May 2021

Frequency of Review: 12 weekly

Description of Risk: There is a risk that due to the complexity of the governance arrangements for Inpatient Mental Health Services Perth and Kinross IJB will not be able to meet its Strategic Planning responsibilities.

Risk Related to Achievement of Strategic Aim:

1. Working together with our communities
2. Prevention and Early Intervention
3. Person-centred health, care and support
4. Reducing inequalities and unequal health outcomes and promoting healthy living

Current Risk Rating: (priority 1, 2, 3 or 4)

PRIORITY 3

Risk Movement: (↑, ↔, ↓)

↔ NO CHANGE IN RISK EXPOSURE

Risk Exposure Rating Priority 3: Risk is manageable after controls have been applied. Although usually accepted, these risks may require some additional mitigating to reduce probability if this can be done cost effectively. Reassess to ensure conditions remain the same and existing actions are operating effectively.

Inherent Impact (1-5)	Inherent Probability (1-5)	Residual Impact (1-5)	Residual Probability (1-5)	Impact	Critical	5	10	15	20	25
					Major	4	8	12	16	20
					Moderate	3	6	9	12	15
					Minor	2	4	6	8	10
					Insignificant	1	2	3	4	5
						Very Low	Low	Medium	High	Very High
4	4	3	3		Probability					
Inherent Score: 16		Residual Score: 9								

Existing Controls:

- The IJB has in place an Integration Scheme agreed by both NHS Tayside and Perth & Kinross Council
- Tayside Mental Health Oversight Group includes membership from NHS Tayside, 3 Local Authorities and 3 IJB's
- PKHS CP Head of Health is a member of the Inpatient Mental Health Leadership Team
- Mental Health (including Inpatient Services) is a standard item on the IJB Agenda

Risk Overview:

The complex governance arrangements concerning Inpatient Mental Health Services meant that the inherent risk exposure was extreme. However the Review of the Integration Scheme for all 3 IJBs in Tayside will seek to clarify the governance arrangements and this, along with the other control measures currently in place, has allowed the risk exposure to be reduced to a manageable level.

The control effectiveness and the progress of the review will continue to be monitored and assessed to ensure the risk remains manageable.

Existing control rating:  - Controls are working effectively

Perth & Kinross Health and Social Care Partnership

Risk Rating Matrix			Residual Score	Inherent Score										
Risk	Risk Title	Risk Owner	Risk Exposure – no controls	Feb 2021	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21
SR01	Financial Resources	Chief Financial Officer	25 (5x5) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED							
SR02	Workforce	Head of Service	25 (5x5) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED							
SR03	Safe Working	Head of Health	25 (5x5) RED	9 (3x3) YELLOW	9 (3x3) YELLOW	9 (3x3) YELLOW	16 (4x4) RED							
SR04	Sustainable Capacity And Flow	Head of Adult Social Work	20 (5x5) RED	15 (5X3) AMBER	15 (5X3) AMBER	15 (5X3) AMBER	20 (5X4) RED							
SR05	Sustainable Digital Solutions	Head of Adult Social Work	20 (5x4) RED	12 (4X3) AMBER	12 (4X3) AMBER	12 (4X3) AMBER	12 (4X3) AMBER							
SR06	Viability Of External Providers	Head of Adult Social Work	25 (5x5) RED	15 (5X3) AMBER	15 (5X3) AMBER	15 (5X3) AMBER	8 (4x2) YELLOW							
SR07	Insufficient Preparedness For Future Covid-19 (Or Other Pandemic) Pressures	Chief Officer	25 (5x5) RED	10 (5x2) AMBER	10 (5x2) AMBER	10 (5x2) AMBER	5 (5x1) GREEN							
SR08	Widening Health Inequalities	Chief Officer	20 (4x5) RED	12 (3X4) AMBER	12 (3X4) AMBER	12 (3X4) AMBER	12 (3X4) AMBER							
SR09	Leadership Team Capacity	Chief Officer	20 (5x4) RED	16 (4X4) RED	16 (4X4) RED	16 (4X4) RED	12 (4x3) AMBER							
SR10	Corporate Support	Chief Financial Officer	20 (5x4) RED	16 (4X4) RED	16 (4X4) RED	16 (4X4) RED	12 (4x3) AMBER							
SR11	Primary Care	Clinical / Associate Medical Director	16 (4x4) RED	16 (4x4) RED	16 (4x4) RED	16 (4x4) RED	16 (4x4) RED							
SR12	EU Withdrawal	Head of Health	16 (4x4) RED	8 (4x2) YELLOW	8 (4x2) YELLOW	8 (4x2) YELLOW	4 (4x1) GREEN							
SR13	Inpatient Mental Health Services	Chief Officer	16 (4x4) RED	9 (3x3) YELLOW	9 (3x3) YELLOW	9 (3x3) YELLOW	9 (3x3) YELLOW							

Background

Risk management is an indispensable element of good management. As such, its implementation is crucial to the Perth and Kinross Health and Social Care Partnership (PKHSCP) and essential to its ability to discharge its responsibilities. It is about improving PKHSCP's ability to deliver outcomes by managing our threats, enhancing our opportunities and creating an environment that adds value and is a key part of corporate governance.

Good risk management will help identify and deal with key risks facing the PKHSCP in the pursuit of its goals and not simply a compliance exercise.

As part of good corporate governance an organisation is required to demonstrate that risk management is an integral part of its activity. This requires risk management to be embedded within the culture of the Partnership.

Appetite

Perth & Kinross Health and Social Care Partnership's risk appetite in relation to its key areas of strategic risk is set out in table 1 below. Where risks fall in amber or red (priorities 1 & 2), consideration is given to the effectiveness of controls and any actions required.

Table 1.

Risk Scoring Grid						
Impact	Critical	5	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Minor	2	4	6	8	10
	Insignificant	1	2	3	4	5
		Very Low / Very remote	Low / Remote	Medium / Possible	High / Probable	Very High / Almost Certain
Probability						

Risk Exposure Rating

Risks are prioritised as to where they fall on the Risk Scoring Grid:

Priority 1 Risk remains extreme even after all identified controls and treatments have been applied. There are significant risks, which may have a serious impact on the Partnership and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Priority 2 There are significant risks, which may have a serious impact on the Partnership or Service Delivery and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk.

Priority 3 Risk is manageable after controls have been applied. Although usually accepted, these risks may require some additional mitigating to reduce probability if this can be done cost effectively. Reassess to ensure conditions remain the same and existing actions are operating effectively.

Priority 4 Appropriate controls keep the risk low / negligible. These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources. Ensure conditions remain the same and existing actions are operating effectively.

Controls and Actions

Where controls have been put in place to treat a risk, consideration is given on how this will affect the risk:

- Reduces impact of the consequences should the risk materialise
- Reduces the probability of the risk occurring

The effectiveness of the controls are rated to determine any actions required to ensure effectiveness via the scale set out in table 2 below:

Table 2.

Controls	
D	Significant Controls do not exist or have broken down
C	Significant controls not operating effectively
B	Not all controls are fully effective
A	Controls are working effectively

PERTH & KINROSS HEALTH AND SOCIAL CARE PARTNERSHIP
STRATEGIC RISK IMPROVEMENT ACTION PLAN



ACTION		RESPONSIBLE	STATUS	TARGET DATE	IMPROVEMENT TYPE	RAG	UPDATE
SR01 - FINANCIAL RESOURCES: There are insufficient financial resources to deliver the objectives of the Strategic Plan.							
1a	Timetable of Joint Engagement meetings with key stakeholders (PKC Head of Finance, NHST Director of Finance, Chief Executives)	Chief Officer	In Progress	31/03/21	Improve existing control	Amber	
1b	Development of 3 Year Strategic Delivery and Financial Plan for 2022/23:2024/25. This will be developed across 5 priority areas: Older People, Mental Health, Drug and Alcohol, Learning Disabilities and Primary Care. This will include the review of current approved plans, analysis of Covid-19 impact, remobilisation requirements and the inclusion of Scottish Government priorities and any associated additional funding.	Heads of Service	In Progress	28/02/22	New Control	Green	
SR02 - WORKFORCE: As a result of our ageing workforce, difficulties in recruiting suitably skilled and experienced staff in some areas, and the impact of COVID-19, there is a risk that the Partnership will be unable to maintain its workforce appropriately leading to unsustainable services.							
2a	See 4a below.	Heads of Service	In Progress	30/09/22	New Control	Green	
2b	See 4b below.	Heads of Service	In Progress	01/07/21	New Control	Green	
2c	Development of 2021/22 Interim PKHSCP Workforce Plan	Heads of Service	Complete	30/04/21	Improve existing control	Blue	
2d	Development of 3 year 2022/25 PKHSCP Workforce Plan	Heads of Service	In Progress	31/03/22	Improve existing control	Green	
SR03 - SAFE WORKING: There is a risk that COVID-19 restrictions on safe working practice and social distancing leads to a reduction in service provision inhibiting the ability of the Partnership to achieve its strategic aims.							
3a	We will work with statutory partners to identify and implement, to the greatest extent possible, infrastructure improvements to ensure that capacity and demand can be managed safely and in accordance with the achievement of our Strategic ambitions	Heads of Service	Not Started	31/12/21	New Control	Green	
3b	Produce a Perth & Kinross HSCP Premises Strategy to address accommodation needs across the organisation for the short, medium and long term.	Heads of Service	Not Started	30/06/22	New Control	Green	
SR04 - SUSTAINABLE CAPACITY AND FLOW: As a result of the demographics of the people who use our services in Perth and Kinross and the impact of COVID-19 on our population there is a risk of 'capacity and flow' within our services being unsustainable.							
4a	Implement short, medium and long term actions indentified through the MFE & Community Contingency Plan.	Heads of Service	In Progress	30/09/22	New Control	Green	
4b	Implement contingency measures which seek to make best use of available senior clinical leadership.	Heads of Service	In Progress	01/07/21	New Control	Green	
4c	Development of 3 Year Strategic Delivery Plan for for Older People's Services. This will seek to address issues that demogrpahic growth presents and ensure capacity across the system is sufficiently robust.	Heads of Service	In Progress	28/02/22	New Control	Green	
SR05 - SUSTAINABLE DIGITAL SOLUTIONS: As a result of being insufficiently digitally enabled or integrated there is a risk that the Partnership will not to be able to adapt effectively and efficiently to deliver new models of working.							
5a	Develop an appropriate governance framework for the delivery of the TEC / Digital agenda across the partnership.	TEC/Digital Strategy Group	Complete	-	Improve existing control	Blue	
5b	Develop engagement strategy to ensure patient and service user needs are addressed in respect to any/all technology based developments.	TEC/Digital Strategy Group	In Progress	31/05/22	New Control	Green	
5c	Consult and engage with our staff to understand their technological needs so as to maximise efficiency and facilitate effective ways of joint working.	TEC/Digital Strategy Group	In Progress	31/05/24	New Control	Green	
5d	Develop Business Case and 3 year plan to transiition from analogue to digital solutions for telehealth/telecare.	TEC/Digital Strategy Group	In Progress	31/05/24	New Control	Green	
SR07 - INSUFFICIENT PREPAREDNESS FOR FUTURE COVID-19 (OR OTHER PANDEMIC) PRESSURES: Due to the scale of future COVID-19 outbreaks being unknown, there is a risk that preparations to sustain service provision will be insufficient.							
7a	Review COVID Command Structure, taking lessons learnt from pandemic are taken into account, to ensure robust systems and processes are in place.	Chief Officer	Complete	-	Improve existing control	Blue	
SR08 - WIDENING HEALTH INEQUALITIES: As a consequence of COVID-19 there is a risk that health inequalities widen significantly.							
8a	Work worth community planning partners to reach hard to reach group mitigating health inequalities	Interim Head of Adult Social Care (Commissioning)	In Progress	31/03/22	New control	Green	
8b	Develop an Integrated Resource Framework (IRF) to enable us to understand health and social care inequalities across each locality and enable informed strategic decision making.	Head of Finance & Corporate Services	In Progress	31/03/22	New control	Green	
SR09 - LEADERSHIP TEAM CAPACITY: As a result of insufficient capacity in the Leadership Team there is a risk that the clear direction and leadership required to achieve the vision for integration is not achieved.							
9a	Review of PKHSCP Management Structure to sustainably increase Strategic Planning and Performance Leadership and supporting capacity.	Chief Officer	In Progress	31/10/21	Improve existing controls	Green	
SR10 - CORPORATE SUPPORT: As a result of insufficient Corporate staff resource there is a risk that functions (such as improvement and project support, robust administration as well as core corporate duties such as performance, risk management, strategic planning, governance and audit) will be unable to deliver as required to achieve strategic objectives.							
10a	Chief Officer to work with the EMT to progress a restructure of the HSCP that will seek to ensure adequate capacity across the organisation to improve functioning and effectiveness and address identified capacity shortfalls, within available finance.	Chief Officer	In Progress	31/10/21	New control	Green	

PERTH & KINROSS HEALTH AND SOCIAL CARE PARTNERSHIP
STRATEGIC RISK IMPROVEMENT ACTION PLAN



Red

Not on track with major issues

Amber

On track with minor issues

Green

On track

Blue

Complete

ACTION		RESPONSIBLE	STATUS	TARGET DATE	IMPROVEMENT TYPE	RAG	UPDATE
SR11 - PRIMARY CARE: As a result of insufficient suitable and sustainable premises, and a lack of available national and cross-system flow of financial support, there is a risk that we will not be able to provide, within the legislative timeframe, the necessary services as defined within the 2018 General Medical Services Contract.							
11a	See 3b above.	Heads of Service	In Progress	30/06/22	Improve existing controls	Green	
11b	Development of 3 Year Strategic Delivery Plan for 2022/23:2024/25 for Primary Care. This will also address the further implementation of wider services in support of the GMS contract.	Heads of Service	In Progress	28/02/22	New Control	Green	
SR13 - INPATIENT MENTAL HEALTH SERVICES: There is a risk that due to the complexity of the governance arrangements for Inpatient Mental Health Services Perth and Kinross IJB will not be able to meet its Strategic Planning responsibilities.							
13a	Review of Integration Scheme	NHST/PKC	In Progress	31/03/22	Improve existing controls	Amber	
13b	Following approval in principle of the Tayside Mental Health Strategy by Tayside HSCP's bring forward Strategic Delivery Plan and supporting Financial Framework	NHST/3 Chief Officers	In Progress	30/09/21	New control	Green	



Integration Joint Boards

Risk Management Strategy

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The Risk Management Approach and Vision

- 1.1 The Integration Joint Boards (IJBs) are committed to a culture where the workforce is encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by appropriate application of good risk management practice.
- 1.2 In doing so the aim is to provide safe and effective care and treatment for patients and clients, and a safe environment for everyone working within the IJBs and others who interact with the services delivered under their direction.
- 1.3 The IJBs believe that appropriate application of good risk management will prevent or mitigate the effects of loss or harm and will increase success in the delivery of objectives, better clinical, care and financial outcomes, achievement of targets and fewer unexpected problems.
- 1.4 They purposefully seek to promote an environment that is risk 'aware' and strive to place risk management information at the heart of key decisions. This means that the IJBs can take an effective approach to managing risk in a way that addresses significant challenges and enable positive outcomes.
- 1.5 The IJBs promote the pursuit of opportunities that will benefit the delivery of their Strategic and Commissioning Plans. Opportunity-related risk must be carefully evaluated in the context of the anticipated benefits for patients, clients and the achievement of strategic aims.
- 1.6 The IJBs will receive assurance reports, including internal and external audit reports, not only on the adequacy but also the effectiveness of its risk management arrangements and will consequently value the contribution that risk management makes to their wider governance arrangements. The IJB's will share the findings of such reports with each other to ensure consistency of good practice across the Tayside region in line with information sharing protocols.
- 1.7 The IJBs, through the following risk management strategy, have established a Risk Management Framework, (which covers risk policy, procedure, process, systems, risk management roles and responsibilities).

Key benefits of effective risk management:

- appropriate, defensible, timeous and best value decisions are made;
- risk 'aware' not risk 'averse' decisions are based on a balanced appraisal of risk and enable acceptance of certain risks in order to achieve a particular goal or reward;
- supports delivery of key aims and objectives – priorities and outcomes
- high levels of morale and productivity;
- better use and prioritisation of resources;
- high levels of user experience/ satisfaction with a consequent reduction in adverse events, claims and/ or litigation; and
- a positive reputation established for the Integration Joint Boards.

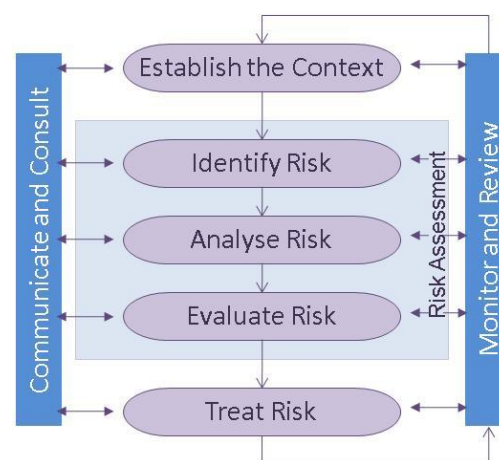
Strategy - Implementing the Strategy

1. Introduction

- 1.1 The primary objectives of this strategy will be to:
- promote awareness of risk and define responsibility for managing risk within the IJBs;
 - establish communication and sharing of risk information through all areas of the IJBs;
 - initiate measures to reduce the IJBs exposure to risk and potential loss through the design & implementation of robust portfolios of internal controls.; and,
 - establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review.
- 1.2 This strategy takes a positive and holistic approach to risk management. The scope applies to all risks, such as relating to the clinical and care environment, employee safety and wellbeing, business risk, opportunities or threats and the risk to delivery of strategic and commissioning plans.
- 1.3 **Strategic risks** represent the potential for the IJBs to achieve (opportunity) or fail to meet (threat) its desired outcomes and objectives as set out within their Strategic Plans, and typically these risks require strategic leadership in the development of activities and application of controls to manage the risk.
- 1.4 **Operational risks** represent the potential for impact (opportunity or threat) within or arising from the operational services delivered by the Local Authority and Health Board, as commissioned through the Strategic Commissioning Plan and Directions by the IJB. As the providers of the operational health and social care services, the Local Authority and Health Board have responsibility for making appropriate arrangements in relation to the management, monitoring and reporting of operational risks. On a day to day basis these risks will be managed with the respective risk management frameworks of the Local Authority and Health Board, by the IJB's Chief Officer acting in their capacity as the Local Authority / Health Board Director for the relevant operational services. Where operational risks are such that they may have an impact on the deliverability of the IJB's Strategic Commissioning Plan however, they also require to be reflected and managed as a strategic risk within the IJB risk management framework.
- 1.5 This document represents the risk management framework to be implemented across the Joint Boards and will contribute to their wider governance arrangements.

2. Risk management process

- 2.1 Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects¹ It is proactive in understanding risk and uncertainty, it learns and builds upon existing good practice and is a continually evolving process that has an important role in ensuring that defensible and beneficial decisions are made.
- 2.2 The IJBs embed risk management practice by consistent application of the risk management process shown in the diagram on the right, across all areas of service delivery and business activities.
- 2.3 IJBs will ensure arrangements are in place for the reporting of risks as part of the monitoring and review process.



¹ Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004

- 2.4 The IJB's risk management framework harnesses the activities that identify and manage uncertainty, allows it to take opportunities and to take managed risks not simply to avoid them, and systematically anticipates and prepares successful responses. A key consideration in balancing risks and opportunities, supporting informed decision-making and preparing tailored responses is to establish the IJB's risk appetite in relation to its strategic risks.
- 2.5 Risk appetite provides a framework which enables an organisation to make informed management decisions. By defining a risk appetite IJBs will clearly set out thresholds around which risks can be tolerated and hence where the IJB is willing to operate, the extent to which risks need to be managed and at which point they should be escalated. Consideration may also be given to the optimal or target range within which risks should sit and where the IJB aims to operate. These thresholds are for IJBs to determine and although there are advantages to statutory partners having similar appetites this may not be possible to achieve. Variance in this regard, although accepted as a practical reality, needs to be borne in mind when considering the nature of identified risks, how they are similarly identified and within partner bodies and then how they are managed/controlled accordingly.
- The benefits of adopting a risk appetite include:
- Supporting informed decision-making;
 - Reducing uncertainty;
 - Improving consistency across governance mechanisms and decision-making;
 - Supporting performance improvement;
 - Focusing on priority areas within an organisation;
 - Informing spending review and resource prioritisation processes.
- 2.6 When developing its risk appetite, an organisation needs to consider a range of issues, including the norms of the environment and the sectors in which it operates, its own culture, as well as governance and decision-making processes. It also needs to consider its ability to implement this risk appetite.

3. Application of good risk management across the IJB activities

- 3.1 Standard procedures (3.1 – 3.9) will be implemented across all areas of activity that are under the direction of the IJBs in order to achieve consistent and effective implementation of good risk management.
- 3.2 Risk management information will (wherever possible) be used to guide major decisions alongside other factors that require consideration as part of an impact assessment. All decision papers will overtly reference risk and any links to the IJB Strategic Risk Register.
- 3.3 Development, escalation and horizon scanning of risk involving key stakeholders and subject experts who have knowledge and experience of the activity or process under consideration.
- 3.4 Appropriate ownership of risk: IJB Strategic risks will be owned by/assigned to and managed by those individual/s who are best placed to oversee the risk and manage the development of any new risk controls required by the Chief Officer of the relevant IJB in conjunction with Senior Management from NHS Tayside and the Local Authority.
- 3.5 Consistent application of the agreed risk matrix to analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of risk control measures in place. The risk matrix to be used is attached in Appendix 1.
- 3.6 Consistent response to risk that is proportionate to the level of risk and risk appetite..

- 3.7 Implementation and maintenance of risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritising resources and ease of access to information for risk reporting.
- 3.8 The Integrated Joint Board or delegated Committee will routinely receive risk management reports from the Chief Officer or Chief Financial Officer for agreement or approval at least bi-annually.
- 3.9 The IJB or delegated Committee shall receive an annual Risk Management Report which provides an overt conclusion of the adequacy and effectiveness of the IJB's risk management arrangements and the application of this risk management strategy.
- 3.10 As noted in sections 2 and 4 above, the Chief Officer shall prepare local procedures which allow for detailed review, response and escalation of operational risks which take account of other governance and management structures operated by the IJB and its partners including in particular, arrangements for Clinical and Care, Staff and Information Governance.

Risk Leadership and Accountability

4. Governance, roles and responsibilities

- 4.1 Integration Joint Boards and/or delegated Committee
Members of the Integration Joint Boards, including as members of the appropriate delegated Committee are responsible for:
- oversight of the IJBs risk management arrangements including seeking assurance that these are effective;
 - receipt, review and scrutiny of reports on strategic risks and any key operational risks that require to be brought to the IJBs attention; and,
 - ensuring that all IJB Board and Standing Committee papers adequately explain associated risks and overtly refer to the IJB Risk Register where relevant
- 4.2 Chief Officer
The Chief Officers have overall responsibility for the IJBs risk management framework, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the IJB. The Chief Officers will keep the Chief Executives of the IJBs partner bodies (Council and Health) informed of any significant existing or emerging risks that could seriously impact the IJB's ability to deliver the outcomes of their Strategic Plans or the reputation of the IJB and vice versa.
- 4.3 Chief Financial Officer
The Chief Financial Officer will be responsible for ensuring financial risks are identified and mitigating actions identified for the consideration of the IJB and delegated Committees as appropriate.
- 4.4 HSCP Senior Management Team
Members of the Senior Management Team are responsible (either collectively, or by nominating a specific member of the team) for:
- supporting the Chief Officer in fulfilling their risk management responsibilities;
 - arranging professional risk management support, guidance and training from partner bodies;
 - receipt and review of regular risk reports on strategic, shared key operational risks and escalating any matters of concern to the IJB Chief Officer; and,
 - ensuring that the standard procedures set out in section three of this strategy are actively promoted across their teams and within their areas of responsibility.

4.5 Individual Risk Owners/Risk Managers

It is the responsibility of each risk owner/manager to ensure that:

- risks assigned to them are analysed in keeping with the agreed risk matrix both for probability / likelihood and consequence / impact taking into account existing controls and the potential likelihood and consequences after treatment of the risk
- data on which risk evaluations are based are robust and reliable;
- risks are defined clearly to make explicit the scope of the challenge, opportunity or hazard and the consequences that may arise;
- the whole risk is reviewed not only in terms of likelihood and impact of occurrence, but takes account of any changes in context that may affect the risk;
- controls that are in place to manage the risk or which are proposed are proportionate to the context and level of risk and are effective in practice
- risks are recorded using the relevant electronic risk management recording system framework .

4.6 All persons working under the direction of the IJB within the HSCP

Risk management should be integrated into daily activities with everyone involved in identifying current and potential risks where they work. Individuals have a responsibility to make every effort to be aware of situations which place them or others at risk, report identified hazards and implement safe working practices developed within their service areas. This approach requires everyone to:

- understand the risks that relate to their roles and activities;
- understand how their actions relate to their own, their patient's, their services user's/ client's and public safety;
- understand their accountability for particular risks and how they can manage them;
- understand the importance of reporting incidents and/ or near misses to allow lessons to be learned and contribute to ongoing improvement of risk management arrangements; and,
- understand that good risk management is a key part of the IJB's culture.

4.7 Partner Bodies

Partner bodies will continue to operate appropriate Risk Management processes for operational risk and Chief Executives of the partner bodies will ensure that processes will be put in place to alert the IJB of any strategic or operational risks which are likely to impact on the delivery of the IJB's Strategic and Commissioning Plan. The partner bodies will provide formal assurance to the IJB on the operation of their Risk Management arrangements and of the adequacy and effectiveness of key controls which could impact on the achievement of IJB objectives. The IJB will provide reciprocal assurance, including to other IJB's in their capacity as being responsible for hosted services, on its Risk Management processes and key controls.

It is the responsibility of relevant specialists including those from the partner bodies, (such as risk managers/coordinators) to attend meetings where appropriate to consider the implications of risks and provide relevant advice. However ultimate responsibility for risk remains with the individual designated risk owners / risk managers within the HSCPs.

Resourcing Risk Management

5. **Resourcing the risk management framework**

- 5.1 Much of the work on developing and leading the ongoing implementation of the risk management framework for the Integration Joint Boards will be resourced through the Senior Management Team's arrangements (referred to in 4.4). The IJBs will work with partner bodies to ensure that the risk management function of the IJB's is adequately supported in accordance with the Integration Scheme

- 5.2 In order to facilitate the continued development and embedding of consistent risk management approaches and principles across the Tayside IJB's, a Tayside Risk Management Working Group has been established which consists of risk management leads from each of the IJB's, local authorities and NHS Tayside.
- 5.3 Where risks impact on a specific partner body and new risk control measures require to be developed and funded, it is expected that this will be taken forward by the partner organisation, within current resource where possible under the direction of the IJB and normal budget setting and financial management processes.

Training, Learning and Development

6 Risk management training and development opportunities

- 6.1 To effectively implement this policy and strategy, it is essential for people to have the competence and capacity for managing risk and handling risk judgements with confidence, to focus on learning from events and past experience in relation to what has worked well or could have been managed better, and to focus on identifying opportunities to improve systems and processes.
- 6.2 Training is important and is essential in embedding a positive risk management culture across all activities under the direction of the IJBs and in developing risk management maturity. The Senior Management Teams will regularly review risk management training and development needs and source the relevant training and development opportunities required through the respective partner bodies. These training requirements will include officers and IJB members as appropriate.
- 6.3 The majority of risk-related courses/ training will be delivered through resources already available to the IJB through the partner body risk management functions, including provision of risk management training to reflect integrated service arrangements. Wherever possible the IJBs will ensure that any additional risk management training requirements and costs will be kept to a minimum.

Monitoring and Reporting

7 Monitoring risk management activity and performance

- 7.1 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives.
- 7.2 The IJBs operate in a dynamic and challenging environment. A suitable system is required to ensure risks are monitored for change in context and scoring so that appropriate response is made as appropriate as reflected in the features of good risk management outlined in section 3.
- 7.3 Monitoring will include formal review of the IJBs risk profile at Senior Management Team level on at least a quarterly basis taking into account all relevant strategic, operational and shared risks.
- 7.4 The HSCP Senior Management team will consider risks associated with items on their management team agenda and will consider whether any items should be added to partner bodies operational risk registers and / or considered for inclusion in the IJB's Strategic Risk Register.

- 7.5 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives. The IJB will therefore set and monitor key performance indicators for its Risk Management processes to be reported formally at least annually as per of the annual Risk Management Report with regular reporting to the appropriate delegated committee.
- 7.6 Performance data linked to the Strategic Plans will be presented to inform the identification of new risks and / or highlight where existing risks require more attention and provides a conclusion on whether the information within the risk register required amendment.
- 7.7 Reviewing the IJBs risk management arrangements on a regular basis will also constitute a 'Plan/ Do/ Study/ Act review cycle that will shape future risk management priorities and activities of the IJB, inform subsequent revisions of this policy and strategy and drive continuous improvement in risk management across the IJB.

Communicating Risk Management

8 Communicating, consulting on and reviewing the risk management framework

- 8.1 Effective communication of risk management information across the IJBs, HSCPs NHS and Local Authority is essential to developing a consistent and effective approach to risk management.
- 8.1 Copies of this policy and strategy will be widely circulated via the Senior Management Teams and will form the basis of any risk management training.
- 8.2 This policy and strategy will be reviewed as a minimum once every 3 years led by the IJBs with support from the NHS and Local Authority to ensure that it reflects current standards and best practice in risk management and fully reflects the Integration Joint Boards business environment.

Impact/Consequences	Critical/Extreme (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Significant/Moderate (3)	3	6	9	12	15
	Marginal/Minor (2)	2	4	6	8	10
	Negligible (1)	1	2	3	4	5
		Very Low/Rare (1)	Low/ Unlikely (2)	Low to High/ Possible (3)	High/ Likely (4)	Very High/ Almost Certain (5)
Likelihood/Probability						

Appendix 2 - Definitions

It is acknowledged that terminology in common use can, and does, vary across organisations. Variations in terminology between the organisations contributing to this document are set out in the table below to permit a read-across between the contributing bodies, and to provide a common definition for these as appropriate.

TERMINOLOGY IN USE				
Angus IJB	Dundee IJB	PKC IJB	NHS	Common Definition
Inherent risk (without mitigation)	Inherent Risk	Inherent Risk	Risk Exposure Rating – No Controls	The level of risk in the absence of all but the most basic of control measures
Residual risk (with mitigation)	Residual Risk	Residual Risk	Risk Exposure Rating – Current Controls	The level of risk at the current stage of implementation of control measures (also referred to as controlled risk)
Target Risk	Target Risk	Target Risk	Risk Exposure Rating – Planned/Proposed Controls	The level of risk which it is expected to be achieved with full and effective implementation of available control measures
N/A	Risk Universe	N/A	N/A	Refers to all of the organisation's risks
Risk Register	Risk Register	Risk Register	Risk Register	Comprehensive database containing the organisation's risks at both Corporate / strategic and Service / operational levels
Strategic Risks	Strategic Risks	Strategic Risks	Strategic Risks	Risks which have the potential to impact high level / strategic objectives usually held at executive level
Operational Risks	Operational Risks	Operational Risks	Service Level Risks	Risks which may impact on the day to day delivery of services usually held at service level
Project Risks	Project Risks	Project Risks	Project Risks	Risks which impact directly on the delivery of individual projects
Current Controls. Datix/Pentana/ADASTRA	Control Measures	Existing Controls	Current Controls	The things we do to influence the likelihood of a risk event happening and / or to mitigate the level of impact of a risk event if it does occur
	Pentana	Datix (operational risks)	Datix	A software solution used under licence, to maintain Risk Registers electronically. Also used for some partner and project Risk Registers and for action and performance management

TERMINOLOGY IN USE

Angus IJB	Dundee IJB	PKC IJB	NHS	Common Definition
Identification of 'emerging risk'	Horizon Scanning	Emerging Risk	Horizon Scanning	A medium to long term view seeking to identify risks which are 'on or over the horizon', with the intention to assess and where appropriate mitigate against them
Current Pending Treated/Archived Closed Rejected	'5 T's'	Take Treat Transfer Terminate	Current Pending Treated/Archived Closed Rejected	<p>These are the responses to risk, how we propose to deal with it in headline terms, and consist of:</p> <ul style="list-style-type: none"> • Terminate – remove the risk completely • Transfer – e.g. to a partner or through insurance • Tolerate – accept the risk as-is • Treat – implement actions or / and put in place control measures <p>The standard '4 T's' in common usage are as above. However, this can be expanded to '5 T's' to also include:</p> <ul style="list-style-type: none"> • Take Opportunities – where, for example, there is scope to take increased risk in order to gain added benefit / reward
N/A	N/A	N/A	Risk Category	Select from: Compliance/Legislative/Regulatory Quality (of care)/Clinical Reputational Resource Financial Resource Workforce
Risk Owner	Risk Owner	Risk Owner	Risk Owner	This is the person who is ultimately responsible for the risk and who will be the subject matter expert
Risk Manager	Risk Manager	Risk Manager	Risk Manager	This is the person who has day to day operational management of the risk and who will be responsible for monitoring the risk and coordinating any actions needed to manage the risk
Risk Review Date	Due Date	Review Date	Risk Review Date	This is the date by which the next review must take place
Likelihood	Probability	Probability	Likelihood	Frequency of the event occurring
Consequence or Impact	Impact	Impact	Consequence	Impact on the organisation should an identified risk occur
Risk Exposure Rating	Risk Score	Risk Exposure Rating	Risk Exposure Rating	Outcome based on likelihood x consequences. Determines whether a risk is red, amber, yellow or green.
Risk Appetite	Risk Appetite	Risk Appetite	Risk Appetite	



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21 JUNE 2021

PARTNERSHIP IMPROVEMENT PLAN UPDATE

Report by Chief Officer/Director – Integrated Health & Social Care (G/20/73)

PURPOSE OF REPORT

This report provides an update on progress against the actions within the Partnership Improvement Plan

1. RECOMMENDATIONS

It is recommended that the Audit & Performance Committee:

- (i) Notes the progress towards the achievement of actions within the Partnership Improvement Plan;
- (ii) Notes the addition of two action points from the Annual Review of Governance;
- (iii) Notes the deletion of one action point which requires to be taken forward at national level by Scottish Government;

2. BACKGROUND

The Partnership Improvement Plan contains consolidate all improvement actions/recommendations arising from:

- i) IJB Annual Review of Governance
- ii) Ministerial Strategic Group Review of Integration of Health and Social Care Self Assessment
- iii) Healthcare Improvement Scotland/Care Inspectorate Joint Inspection (Adults)

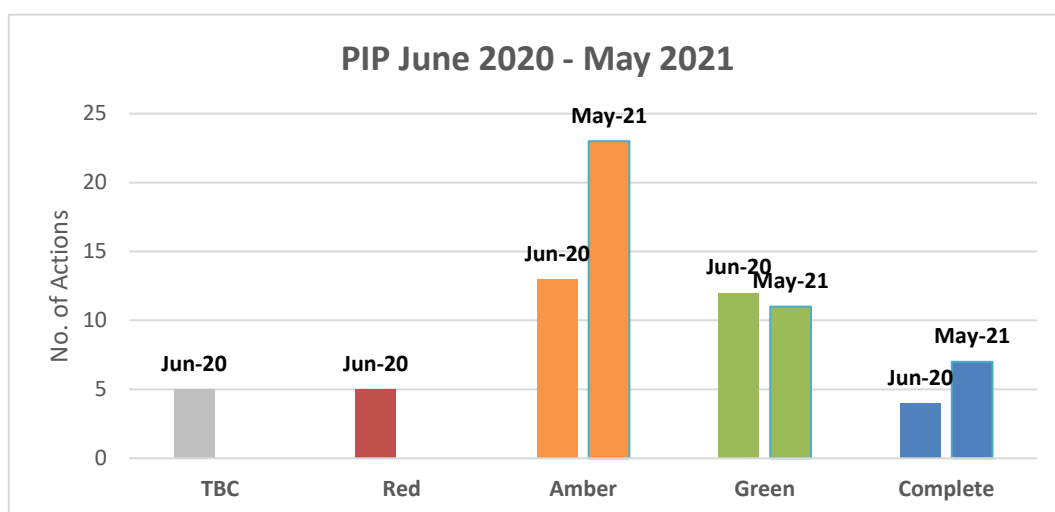
At the Integration Joint Board meeting of 12 February 2020, the Board requested that the Chief Officer provide an update on the Partnership Improvement Plan to each Audit & Performance Committee meeting and to provide a regular update on the work being undertaken to implement the necessary actions.

Over the course of 2020/21 updates have been provided as follows:

- June 2020 – initial report and action plan
- September 2020 – verbal update by the Chief Officer
- November 2020 – report considering the specific Joint Inspection actions

3. PROGRESS UPDATE

Notwithstanding the challenges of the pandemic, steady progress has been made across several areas with work recommencing on others. The table below shows the movement in RAG status from the last formal update in June to May 2021:



A number of the actions where limited progress has been made relate to those which PKHSCP cannot take forward without joint and collective leadership by NHS Tayside and Perth & Kinross Council. These actions are now being reported separately within the Partnership Improvement Plan.

Progress during 2020/21 includes:-

- Significant progress has been made around IJB Member Induction with a development sessions arranged and an Induction Pack available for all members
- We have undertaken a self-assessment against the IJB Integration Scheme that has helped shape the Tayside Wide Review process
- Annual Development meetings between the Chair/Vice Chair with members are also now scheduled and will become standard
- We are building upon the strong relationships with Third and Independent Sector partners and other key stakeholders with the refresh of the Strategic Planning Group and also the planned development of Strategy Groups

- We have developed the 2021/22 Remobilisation Plan in line with Scottish Government guidance and this has been clearly aligned to the IJB's high level Objectives
- We are prioritising the development of 3-year Strategic Delivery Plans across 5 key service areas including investment/disinvestment plans
- We have developed the PKHSCP 1-year Workforce Plan and are moving forward with the 3 Year Plan
- We have recruited dedicated communications resource and whilst they have supported the partnership throughout the pandemic, this is now being aligned to significantly further enhance stakeholder communication

As part of the 2020/21 Annual Review of Governance, two further actions have now been added as follows:

- IP38 - Joint engagement meetings regarding financial sustainability with key stakeholders (PKC Head of Finance, NHST Director of Finance, Chief Executives)
- IP39 - Clarify the governance and accountability arrangements in respect of Inpatient Mental Health Services

Following consideration by the PKHSCP Executive Management Team it is proposed that IP31 '*Align HR processes, policies and procedures via influencing national guidelines and thereafter implement*' will be removed.

This is something that needs to be addressed nationally, driven by Government.

4. CONCLUSION

Significant progress has been made against the actions within the Partnership Improvement Plan, despite the essential focus on the pandemic.

Author(s)

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**PERTH & KINROSS HEALTH & SOCIAL CARE
PARTNERSHIP
PARTNERSHIP IMPROVEMENT PLAN - PROGRESS
REPORT**

Red	Not on track with major issues	Amber	On track with minor issues
Green	On track	Blue	Complete

IP No.	RO	Action	Update - May21	Priority Level	Original Date for Completion	Revised Date for Completion	RAG per APC June20 update	Revised RAG
1. LEADERSHIP, CULTURE AND VALUES								
IP01	CO	How effective is the IJB Board? Undertake a self-assessment of performance against the PKIJB Integration Scheme with IJB members and Executive Management Team to provide improved understanding of the IJB's role and remit.	EMT have carried out a self-evaluation, and we have reported on this to the IJB and also formally reported to PKC on the intention to revise the Integration Scheme. This work was stalled because of the second wave of the pandemic but has been reinstated now. The SG have indicated that we do not need to develop a full successor Scheme but can revise the exiting Schemes. A project team has been formed including representation from all 3 Local Authorities, NHS Tayside and all 3 HSCP's with dedicated leadership capacity identified and an approved project plan. IJB Members will be involved through regular briefing and development sessions, some of which may be pan Tayside.	1	31 December 2019	31 March 2022	Red	Green
IP02	CO	Review of PKHSCP organisational structure and overall senior leadership capacity	We had begun to consider a revised and integrated structure prior to the pandemic, but this has not been our priority for the past 13 months. We have recommenced discussions in this regard and have recently established a project team involving the Trade Unions and statutory partners' HR Advisors. We have not been able to secure support for additional Senior Management capacity, but will look to ensure that our third and fourth tier levels are sufficiently robust and well-enough resourced to improve effectiveness and address current pressures.	3	31 March 2020	31 March 2022	Green	Amber
IP03	CO	Implement a Leadership Development Program focused on Collaborative Practice	This is something that we will now consider further as we emerge from the pandemic. It will be informed by the actions in our Remobilisation Plan and Workforce Plan that give particular focus to mitigating the impact that the pandemic has had on the emotional and physical wellbeing of our staff, 400 days on. We are currently benefitting from some OD support in our EMT which aims to improve our communication, interaction and functioning as a senior team.	2	01 June 2020	31 March 2022	Green	Amber
IP04	CO/Chair	IJB Member Development: Refresh of induction and review of IJB Annual Training and Development Plan following full needs assessment. This will ensure that IJB members are adequately supported in terms of communication, training, consultation and engagement so that the Board can fulfil its governance role effectively. This should include the needs of public partners	Annual Development Meetings for members are planned (see IP05) which will identify required training needs. In the meantime development sessions have been arranged for new members. Alongside this an Induction Pack has been developed to formalise the induction and development process for members going forward.	1	31 March 2020	30 June 2021	Amber	Green
IP05	Chair	Programme Annual Development Meetings between the Chair and Members	Annual Development Meetings have been set up with the Chair and members over the summer period	1	TBC	31 July 2021	Red	Green
2. STAKEHOLDER ENGAGEMENT								
IP07	H of ASCSW	Effective Stakeholder Engagement: Review the role of the Communication and Engagement Group and develop an engagement and participation strategy to support localities. This will providing a systemic approach to stakeholder engagement and will assist in improving the evaluation of the impact being made by specific developments	In responding to the pandemic and specific communications needs we recruited to 2 part-time dedicated communications posts. These positions have supported the partnership well in this regard throughout the pandemic. Recognising however, that the Comms and Engagement Group have not been able to meet over this same period, our communications needs/resources are currently being reviewed to ensure they are aligned in the best way to continue to best meet our needs and those of our stakeholders.	1	31 March 2020	31 July 2021	Amber	Amber
IP08	CO	Review IJB membership ensuring that all sectors are adequately and appropriately represented including the independent sector	The IJB has the following stakeholders routinely invited to meetings, Service User Public Partner, Carer Public Partner, GP, Scottish Care representative, and a 3rd Sector representative. It should be noted that following a review a paper is being presented to IJB in June to seek approval to increase the membership to two service user public partner representatives and two carer public partner representatives, both in a non-voting capacity	2	TBC	n/a	Red	Complete

IP No.	RO	Action	Update - May21	Priority Level	Original Date for Completion	Revised Date for Completion	RAG per APC June20 update	Revised RAG
IP09	H of ASCSW	Effective Communication with our Public: Development of a coordinated approach to communication and marketing supported by dedicated expertise, ensuring that the effectiveness of the approach developed is evaluated in terms of its impact.	In responding to the pandemic and specific communications needs we recruited to 2 part-time dedicated communications posts. These positions have supported the partnership well in this regard throughout the pandemic. Recognising however that the Comms and Engagement Group have not been able to meet over this same period, our communications needs/resources are currently being reviewed to ensure they are aligned in the best way to continue to best meet our needs and those of our stakeholders.	1	29 February 2020	31 July 2021	Amber	Amber
IP10	H of ASCSW	Effective Engagement and Co-production at Locality Level: individual locality reports to be brought forward to the IJB, leading to greater prioritisation of the systemic evaluation of strategic impact	The HSCP has a Community Engagement Team who play a key role in delivering community engagement and participation across the Partnership. In response to Covid the team members joined with the Community Learning and Development staff employed by the council to form 5 new locality based Stronger Communities Teams. Each of the 3 HSCP localities has an up to date Participation and Engagement Plan that is overseen by the Locality Management Group. This document plays a key role in coordinating engagement by all agencies and organisations with a Health and Social Care focus in the area. The Communication, Engagement and Participation TOR will be reviewed and meetings recommenced.	1	TBC	31 July 2021	Amber	Amber
IP11	H of F&CS	Effective engagement with PKC Elected members: embed a Health & Social Care Session into the PKC rolling program for elected members	A development session for newly elected members will be developed so that they can gain a full understanding of the IJB and the challenges being faced including the implications of the Independent Review of Adult Social Care.	1	31 December 2020	31 May 2022	Green	Amber
IP12	H of ASCSW	We will engage with local communities to co-design future services	Stronger Communities networks held over the last year has enabled local community organisations and individuals to share information and coordinate responses. In addition we have established a Local Involvement Network and are in the early stages of creating a young persons consultation network which will link directly with the SPG and ensure the voice of those entering adult services drives future service delivery. The good work undertaken during the pandemic will be developed further and along with the refresh of the SPG will enable better and wider consultation within communities and groups ensuring strategic planning intentions are co-produced and enabling. The HSCP are looking to restructure and within these structures a focus on Communities is imperative, a co-ordinated and consistent approach to consultation, engagement and participation is essential, beyond just a locality approach but also a system wide culture change in how we design services driven by people being much more actively involved in the design and delivery of public services	1	TBC	31 December 2021	Green	Amber
IP13	H of ASCSW	The partnership should build on existing good relationships with care providers and housing services to identify where there is potential to coproduce solutions to strategic challenges. This should include co-producing a market facilitation plan.	Our ambition is to improve and foster strong collaborative approaches with our partners, through the Market Facilitation Plan, to co-produce plans which will deliver better services and outcomes for the people of Perth & Kinross based on collaboration and engagement. As we develop and shape the market in Perth and Kinross, we will ensure that providers are active participants in the planning and delivery of health and social care services. In order to do this, we have acknowledged the need for improved and proactive communication regarding strategic priorities and therefore commissioning opportunities. We have merged the providers forum and the Supported Living forums and intend on broadening the attendance further by ensuring a wide range of third sector organisations are present. We are clear that all partners are members of the Partnership and as such we want to ensure that relationships are strong, supportive and of mutual benefit. The Independent Living Group is established and provides a forum where we understand proactively housing need and allocate placements according to best match and priority. This forum has enabled Housing to better understand future need and develop their stock accordingly.	1	31 March 2020	30 June 2021	Amber	Green
3. VISION, DIRECTION AND PURPOSE								
IP14	CO	Development of our next five-year Strategic Commissioning Plan will set a shared vision (with statutory partners) and clear priorities which align our collective and collaborative activity ensuring that SMART objectives are used appropriately to drive improvements in outcomes. Progress against implementation should be systemic and routine to ensure robust prioritisation is undertaken bearing in mind short and long term goals	Our Remobilisation Plan, developed in response to the pandemic, has clear, specific, timed actions linked to key portfolios and assigned to specific managers. We have established a systematic approach to monitoring the implementation of this Plan which is reviewed at EMT and reported to the IJB and the Scottish Government. This has an accompanying financial plan with projected expenditure, pressures, savings and expected income. Building on what we have learned through Remobilisation, our ambition is to move to a 3 year delivery plan to sit behind our Strategic Commissioning Plan for 5 key priority areas. A rolling programme of review will be undertaken throughout the year linking in with our performance reporting with an annual report being presented to IJB. Strategy Groups will oversee the development of Strategic Delivery Plans.	1	29 February 2020	31 March 2022	Green	Green

IP No.	RO	Action	Update - May21	Priority Level	Original Date for Completion	Revised Date for Completion	RAG per APC June20 update	Revised RAG
IP15	H of ASCSW / H of Health	Measuring our performance: Develop a 'measure what you value rather than value what you measure' approach aligned to the refreshed strategic plan with accountability arrangements in place to deliver integrated performance reporting and review making best use of available data/benchmarking, including at locality level, to identify areas of service improvement.	Our Performance Framework is now embedded with reports being presented to EMT on a monthly basis and also to each Audit & Performance Committee. Our monthly reporting to EMT and IMT includes reporting at locality level. More extended operational performance reporting for localities has been trialled in Perth City Locality and work is ongoing to roll this out. A stepped increase in resources is required to ensure that this is sustainable going forward.	1	31 March 2020	31 March 2022	Green	Amber
IP16	H of ASCSW	How effective are our Programme Boards? : Building on our Programme Boards, review our planning and commissioning structures and leadership arrangements to ensure a strong connection to localities, and clear leadership arrangements to support capacity. This will be taken forward under the Strategic Planning and Commissioning Board which provides a balanced focus on all priorities and a mechanism for systematic review and monitoring using SMART principles	In April 2021, the IJB were advised of our intention to reinstate and refresh the IJB's Strategic Planning Group, with new terms of reference and membership. This will be linked to the proposed development of a number of Strategy Groups that would develop specific care group strategies, with a relevant financial framework aligned to the national strategic direction and the IJB's Strategic Commissioning Plan, ambitions and priorities. The intention is that while each Strategy Group will be supported by its own stakeholder group comprising services users, carers and third sector partners, the overarching Strategic Planning Group will also include stakeholder representations. The SPG will consider emerging strategies and provide review, challenge and advice, while considering the extent to which these strategies align to the IJB's Strategic Commissioning Plan. The Strategic Planning Group will also monitor progress in delivering on the current Strategic Commissioning Plan and will report to the IJB on progress. The PKHSCP Executive Management Team will continue to play an essential role in overseeing the overall priorities of the partnership and the development of the Strategic Planning Framework	1	29 February 2020	ongoing	Amber	Amber
IP17	H of ASCSW / H of F&CS	Ensure greater priority on evaluating impact of strategies and plans including - Putting in place a systematic approach to involve stakeholders. - Effectively evaluating specific developments and initiatives to determine their impact on improving outcomes and to inform future strategy.	A framework for evaluating the impact of strategies and plans is to be developed. Each strategy will have an Action Plan which will identify the specific priorities and provide evidence of actions taken. Stakeholder feedback will be sought to allow us to evaluate the impact of the strategy and consider any recalibration that is required. Progress against these plans will be subject to ongoing review. The new Community Mental Health Strategy will be used as a test of change.	1	29 February 2020	ongoing	Amber	Amber
IP19	H of ASCSW	Review the role and remit of the Strategic Planning Group and the Third Sector Forum to ensure that existing strategies (and those under development) are supported in terms of the Partnership's capacity to deliver.	The Third Sector is currently represented within a variety of groups including the Third Sector Interface, Third Sector Forum and Adult Provider Forum. The SPG has specific representation from the Third Sector forum but the Partnership has ensured ongoing communications with all other groups. The TSI and Third Sector Forum have been invited to attend the Adult Provider Forum and our intention is that the Adult Provider Forum alternates function and merges with the Third Sector forum to ensure as inclusive an approach as possible in relation to code sign and consultation on Partnership service delivery. The SPG TOR and membership has been refreshed and meetings will commence June 2021.	1	30 December 2019	n/a	Red	Complete
IP20	CO	Conduct regular reviews of priorities bearing in mind emerging issues being prepared to reorganise, reprioritise and reallocate capacity from lower level priorities or secure additional resource which can avoid or reduce future risks.	As per IP14 our ambition is to move to a 3 year delivery plan to sit behind our Strategic Commissioning Plan. A rolling programme of review will be undertaken throughout the year linking in with our performance reporting with an annual report being presented to IJB. This will allow us to review priorities regularly, taking emerging issues into account, allowing us to reorganise, reprioritise and reallocate capacity as necessary.	1	17 December 2019	31 March 2022	Amber	Amber
IP21	H of ASCSW / H of Health	Take a systematic approach to reviewing and updating the partnership's strategic needs assessment bearing in mind the objectives of the Strategic Commission Plan.	We have some areas where a strategic needs assessment has been undertaken, however a framework is required to ensure that the approach across the partnership is consistent and systematic. We plan to develop this framework and will use the Older People's Strategy, which is to be started, as the test of change. Consideration is to be given to resources required to support this development.	1	30 April 2020	TBC	Green	Amber
4. DECISION MAKING								
IP22	H of F&CS	Develop an effective workforce plan linking organisational development, E-Health and Care Plans to encompass the needs of both partner bodies (NHS Tayside and Perth and Kinross Council) - Workforce	The Draft 21021/22 PKHSCP One Year Interim Workforce Plan was submitted to the Scottish Government on 30th April. Feedback is expected from SG colleagues by 31st May 2021, after which the plan will come forward to the IJB for endorsement at the June IJB meeting. The plan has been developed in close collaboration with service teams, HR and Partnership Colleagues as well as colleagues in the 3rd and Independent Sector and our GPs. The Chief Officer will take over the chair of the PKHSCP Workforce Group as it moves forward to develop the 3 year Workforce Plan by 31st March 2022. PKHSCP are seeking to recruit to a one year fixed term workforce planning post as a 'test of change'. This will support service leads and their teams to develop workforce solutions including the need for a significant development of TEC and Digital Transformation and a robust OD and Training and Development Plan.	1	31 March 2020	31 March 2022	Amber	Green

IP No.	RO	Action	Update - May21	Priority Level	Original Date for Completion	Revised Date for Completion	RAG per APC June20 update	Revised RAG
IP22	H of F&CS	Develop an effective workforce plan linking organisational development, E-Health and Care Plans to encompass the needs of both partner bodies (NHS Tayside and Perth and Kinross Council) - Organisational Development	The Draft 21021/22 PKHSCP One Year Interim Workforce Plan was submitted to the Scottish Government on 30th April. Feedback is expected from SG colleagues by 31st May 2021, after which the plan will come forward to the IJB for endorsement at the June IJB meeting. The plan has been developed in close collaboration with service teams, HR and Partnership Colleagues as well as colleagues in the 3rd and Independent Sector and our GPs. The Chief Officer will take over the chair of the PKHSCP Workforce Group as it moves forward to develop the 3 year Workforce Plan by 31st March 2022. PKHSCP are seeking to recruit to a one year fixed tem workforce planning post as a 'test of change'. This will support service leads and their teams to develop workforce solutions including the need for a significant development of TEC and Digital Transformation and a robust OD and Training and Development Plan.	1	TBC	31 March 2022	Amber	Green
IP22	H of F&CS	Develop an effective workforce plan linking organisational development, E-Health and Care Plans to encompass the needs of both partner bodies (NHS Tayside and Perth and Kinross Council) - Tech Enabled Care (TEC)	The Draft 21021/22 PKHSCP One Year Interim Workforce Plan was submitted to the Scottish Government on 30th April. Feedback is expected from SG colleagues by 31st May 2021, after which the plan will come forward to the IJB for endorsement at the June IJB meeting. The plan has been developed in close collaboration with service teams, HR and Partnership Colleagues as well as colleagues in the 3rd and Independent Sector and our GPs. The Chief Officer will take over the chair of the PKHSCP Workforce Group as it moves forward to develop the 3 year Workforce Plan by 31st March 2022. PKHSCP are seeking to recruit to a one year fixed tem workforce planning post as a 'test of change'. This will support service leads and their teams to develop workforce solutions including the need for a significant development of TEC and Digital Transformation and a robust OD and Training and Development Plan.	1	01 May 2020	31 March 2022	Amber	Green
IP24	H of F&CS	Ensure that Programme and Project Management is effective and supports the implementation of all strategic plans and strategic priorities, taking into account the scale of the task, its capacity, finance and the timescale needed to achieve it.	Programme Managers are now in place to support Older People, Mental Health, Primary Care and TEC. As part of the restructure we will ensure that there are sufficient resources across all other strategy areas including Drug and Alcohol and Learning Disabilities on a substantive basis. As part of the review of the organisational structure a step up in Business Improvement Resources is anticipated to support the significant Scottish Government programme of additional investment including Primary Care Improvement Programme, ADP and Drug Death, Action 15, Autism, Community Living Change Fund, District Nursing. All such programmes require skilled and experienced business improvement resources to support service teams in transforming services.	1	29 February 2020	31 March 2022	Green	Green
5. FINANCIAL CONTROLS								
IP26	H of F&CS	Create integrated budgets to support improved planning of services and ensure devolution to locality level.	PKHSCP Executive Management Team have agreed to the development of integrated budgets to support the development of 3 Year Strategic Delivery and Financial Plan 2022/23: 2024/25. The 3 Year Financial Plan will be developed across 5 key integrated priority areas: Older People, Mental Health, Drug and Alcohol, Learning Disabilities and Primary Care.	2	31 March 2020	31 March 2022	Amber	Green
IP27	H of F&CS	Support NHST to ensure timely agreement of budgets moving forward	Effective and supportive collaborative working enabled the setting of the PKIJB Budget by 31st March 2021. Regular meetings are scheduled throughout 2021/22 with the NHS Tayside Director of Finance to ensure understanding of respective financial positions and to support budget setting discussions for future years.	n/a	31 March 2021	31 March 2022	Green	Green
6. INTERNAL CONTROLS								
IP32	H of F&CS	Embed the routine issue of Directions as part of normal business process and ensure appropriate learning from other integration authorities	Over 2020/21 following the Covid Pandemic outbreak, aside from the setting of the 2020/21 Budget there have been no decisions made by the IJB that have required Directions to be issued. Directions have been issued with regard to the 2021/22 Budget. We will pro-actively ensure systematic identification of Directions in relation to all decisions made by the IJB from 2021/22 onwards.	1	31 March 2020	31 July 2021	Amber	Amber
IP33	H of ASCSW / H of Health	Ensure that Risk item is on all team agendas.	The Covid Pandemic has lead to a delay in implementing this recommendation. It will now be progressed.	2	TBC	31 July 2021	TBC	Amber
IP34	H of ASCSW / H of Health	Ensure Health and Safety item is on all team agendas	The Covid Pandemic has lead to a delay in implementing this recommendation. It will now be progressed.	2	TBC	31 July 2021	TBC	Amber
REQUIRING COLLABORATION WITH STATUTORY PARTNERS								

IP No.	RO	Action	Update - May21	Priority Level	Original Date for Completion	Revised Date for Completion	RAG per APC June20 update	Revised RAG
IP18	CO	Ensure robust oversight of the implementation of the strategic delivery plan for Older People and Unscheduled Care taking into account fully delegated hospital services and large hospital set aside.	A refreshed 3 Year Delivery Plan will be developed for Older People as part of our planning approach set out at IP17 above. To inform this, we will undertake a baseline review of the previously agreed Older Peoples Strategic Delivery Plan.	3	31 March 2021	31 March 2022	TBC	Amber
IP23	CO	Seek appropriate levels of Corporate support from Statutory Partners including organisational and workforce development.	Levels of corporate support from Partners is a key area of focus in the revision of the Integration Scheme across Tayside. This reflects concerns within all HSCP's around the level of corporate support that is being provided. Lack of corporate support is identified as a High risk within the PKIJB Strategic Risk Register. The review of the PKHSCP Organisational Structure will consider a number of immediate corporate support priorities and will propose 'tests of change' including potentially workforce planning, premises and capital planning and communications.	1	29 February 2020	Ongoing	Green	Amber
IP25	CO	Improve the effectiveness of the connection of PKHSCP planning with Statutory Body Strategic Planning (Transforming Tayside/ Perth & Kinross Offer)	Whilst there is Chief Officer engagement and participation in relevant groups and management teams, it is our ambition to establish more formal links to Transforming Tayside, the Perth & Kinross Offer and also consider how we can better contribute to the Community Planning Partnership.	3	TBC	31 March 2022	TBC	Amber
IP29	H of F&CS	Agree risk sharing arrangements between statutory partners	Following agreement between the SG, NHS Tayside and the 3 Tayside Local Authorities, a revision of all 3 Tayside IJBs is underway. A project team has been formed including representation from all 3 Local Authorities, NHS Tayside and all 3 HSCTs with dedicated leadership capacity identified and an approved project plan. The review of Financial Risk Sharing arrangements across all three IJBs is a key priority.	1	27 September 2019	31 March 2022	Red	Amber
IP31	CO	Align HR processes, policies and procedures via influencing national guidelines and thereafter implement	It is proposed to remove this action from the PIP as it is not an action that can be led by PKHSCP, rather it is a national issues that requires Government input, we will continue to influence as effectively as possible in the meantime	3	TBC	n/a		CLOSED
IP35	CO	Clinical, Care and Professional Governance: Embed a consistent framework for performance review across all services, providing assurance to the new sub committee of the IJB on the safety and effectiveness of services ensuring streamlining of our arrangements with those of both statutory bodies.	A consistent framework for performance review across all services has been established. This is providing assurance to the PKHSCP Care and Professional Governance Forum and to the NHS Tayside Clinical Care Governance Committee with responsibility for the clinical care governance for all health services. The route for providing assurance to PKC who have responsibility for the Care and Professional Governance of Social Care Services is currently being determined. Annual assurance should come from PKC and NHST to the IJB as part of the annual review of governance and assurance processes. PKHSCP are developing a CCGP Accountability and Responsibility statement that will be used to support a development session for IJB Members and will be used to support revision of the PKIJB Integration Scheme.	1	31 March 2020	30 September 2021	Green	Amber
IP36	CO	With the governance and accountability structures of both statutory bodies, as well as those of the IJB, there is considerable duplication in reporting to potentially 5-6 different committees/forum/groups and thus great potential to explore a more integrated and efficient approach. We will review current arrangements and work with partners to explore the potential to reduce duplication	This is a very significant programme of work that requires joint leadership and support across Tayside. The revision of the Tayside Integration Scheme will provide an opportunity to discuss with all Partners the possibility of a fundamental review. Investment in additional corporate support will be required within PKHSCP if it is to play a full role in such a review.	3	30 June 2020	31 March 2022	Green	Amber
IP38 NEW	CO	Joint engagement meetings regarding financial sustainability with key stakeholders (PKC Head of Finance, NHST Director of Finance, Chief Executives)	Regular 1:1 's take place between the Head of Finance and Corporate Services and Head of Finance PKC and Director of Finance NHS Tayside as well as three way meetings during the year. We will propose to NHS Tayside and Perth & Kinross Council colleague that this be extended during the year to conclude Chief Officer/Chief Executives.	2	n/a	31 March 2022	n/a	Amber
IP39 NEW	CO	Clarify the governance and accountability arrangements in respect of Inpatient Mental Health Services	This is a key priority of the review of the Integration Scheme which is taking place during 2021/22 lead by NHS Tayside and Perth & Kinross Council as part of a Tayside wide approach.	1	n/a	31 March 2022	n/a	Amber
COMPLETED ACTIONS								
IP06		Develop a statement of our vision and values to be become front and centre of all IJB activities moving forward (combined with strategic plan see 14)	n/a	n/a	TBC	n/a	Complete	Complete
IP28		Reach agreement with NHST on refreshed finance support arrangements for IPMH	n/a	n/a	31 December 2019	n/a	Complete	Complete
IP30		Corporate Support: Development of new structure under CFO to ensure sufficient capacity.	n/a	n/a	31 December 2019	n/a	Complete	Complete
IP37		A comprehensive improvement plan will be developed that brings together the findings of the Joint Inspection, the findings of the Annual Governance Self Assessment and as part of that the MSG Review of Integration	n/a	n/a	01 September 2019	n/a	Complete	Complete



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21st JUNE 2021

UPDATE: AUDIT RECOMMENDATIONS

Report by Head of Finance and Corporate Services (Report No. G/21/74)

PURPOSE OF REPORT

This report provides the Audit & Performance Committee with progress on the implementation of all internal and external audit recommendations arising since the formal inception of the Integration Joint Board (IJB) on 1st April 2016.

1. BACKGROUND

- 1.1 It is best practice for Audit Committees to receive regular updates on progress in implementation of audit recommendations. A full review has therefore been undertaken on all internal and external audit recommendations since inception of the IJB on 1st April 2016. This will be updated on a regular basis and presented to each Audit and Performance Committee meeting.

2. UPDATE / SUMMARY OF FINDINGS

- 2.1 There have been no audits completed since the last report to this Committee. In terms of progress against recommendations, the follow up work undertaken indicates the following:

Status	Recommendations (excluding CCG)	CCG Recommendations	Total
Complete	38	9	47
Part Complete	2	0	2
Not Yet Due	0	0	0
Overdue	1	0	1
Total	41	9	50

- 2.2 Since the last Audit Recommendations report to the Audit and Performance Committee, the number of overdue recommendations has reduced by 2. However, 2 actions contained within the 2 'part complete' recommendations are both overdue; see 2.5 below.

2.4 Appendix 1 lists all recommendations (excluding Clinical, Care and Professional Governance) either overdue, not yet due, completed or part complete since the last report to this Committee.

Appendix 2 lists all Clinical, Care and Professional Governance recommendations either overdue, not yet due, completed or ongoing.

Appendix 3 lists all recommendations which are complete and have been previously reported as complete to this Committee.

2.5 The Committee are asked to consider recommendations 34, 41b and 58a and the proposed revised dates of completion. At this point in time there is significant confidence that these new proposed dates of completion will allow these recommendations to move to a completed status in the timescale indicated.

3. RECOMMENDATION

The Audit & Performance Committee are asked to:

- Approve the new completion dates for recommendations 34, 41b and 58a.
- Note the progress made to date on implementing agreed recommendations.

Author(s)

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PERTH & KINROSS INTEGRATION JOINT BOARD

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
24	Internal	Annual Report	2017-18	2	The Executive Management Team has replaced the Transformation Board as the key forum to oversee development and implementation of the service redesign required to deliver Strategic Plan objectives. We have been informed that the 3 year Financial plan which is planned for September 2018 will clearly set out by Care Programme the Transformation Proposals and financial implications. This will sit alongside Strategic Delivery Plans for each Care Group which will link transformation plans to strategic objectives and thus provide an overall picture.	Each of the Strategic Boards will have the responsibility for the development of a three year plan that ensures delivery of objectives.	HSCP Executive Management Team	-	Complete	-	The HSCP's response to the global pandemic has shifted the focus here. A Remobilisation Plan has been developed with clear, specific, timed actions linked to key portfolios. It continues to promote activities in pursuance of the IJB's Strategic Priorities. Building on what we have learned through Remobilisation, our ambition is to move to a 3 year strategic delivery and financial plan to sit behind our Strategic Commissioning Plan for 5 key priority areas. This will include the review of current approved plans, analysis of Covid-19 impact, remobilisation requirements and the inclusion of Scottish Government priorities and any associated additional funding. A rolling programme of review will be undertaken throughout the year linking in with our performance reporting with an annual report being presented to IJB. Strategy Groups will oversee the development of Strategic Delivery Plans . The IJB has approved a proposal to reinstate the Strategic Planning Group and for its work to be supported by a number of Strategy Groups. These will embed or develop strategies in relation to specific care groups.
34	Internal	Annual Report	2018-19	2	The IJB should be provided with assurance that sufficient capacity and organisational structure is in place to support the planned work.	Consideration to be given to allocating Corporate Support resources and capacity and the provision of greater clarity and accountability through restructure.	Chief Officer	31/03/20 (proposed revised completion date 31/10/21)	Overdue	447 days	The previously intimated proposal for the creation of a Head of Strategic Planning and Performance post was not able to be supported, and the Chief Officer is now working with the EMT to progress a restructure of the HSCP that will seek to ensure adequate capacity across the organisation to improve functioning and effectiveness and address identified capacity shortfalls, within available finance. The Review of the Integration Scheme across Tayside has prioritised review of Corporate Support responsibilities. In addition, Internal Audit are due to carry out of review which will support further discussions.
41	Internal	Strategic Planning PK05/18 (Inc. PK06/18)	2018-19	1	a) The Strategic Plan should be completed identifying key objectives and priorities consistent with the workforce development plans, financial sustainability planning operation plans and ehealth capacity. b) As the national Strategic Commissioning Plan Guidance section 37 requires that the views of the Strategic Planning Group are taken into account in the review of the strategic commissioning plan, sufficient time should be provided to stakeholders for engagement including the SPG and the PK IJB. c) SPG minutes of meetings should be available	a. Strategic Plan to be completed - <i>Complete</i> b. Strategic Planning Group to be taken into account in reviewing the Strategic Plan with sufficient engagement with this group having taken place. c. Strategic Planning Group minutes of meetings to be available on HSCP Share information site to evidence input into the Strategic Plan - <i>Complete</i>	Chief Officer	30/09/19 (proposed revised completion date for b. 30/06/21)	Part Complete	-	The P&K IJB Strategic Commissioning plan has now been published. The Strategic Planning Group is being re-established with a review of the role, remit, membership etc underway, along with learning from best practice across other partnerships. It was expected that the initial meeting of the refreshed group would take place in December, however due to Covid response this was deferred and will now take place in June.

PERTH & KINROSS INTEGRATION JOINT BOARD

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
					on the HSCP shared information site to evidence the group's input.						
43	External	Annual Report	2018/19	1	<p>Budget Setting: The Core Health and Social Care budget for 2019-20 was approved on 15 February 2019, prior to the start of the following financial year as required. The GP Prescribing and Other Hosted Services budget was approved in June 2019, three months after the start of the financial year. At the time of this report, the Adult Mental Health budget has yet to be approved, for it to be discussed at the Board meeting in September 2019. This is six months for the start of the financial year.</p> <p>There is a risk that members and management are unable to respond to financial pressures in a timeous manner. We recognise that the IJB is reliant on the financial reporting of PKC and NHS Tayside.</p> <p>Furthermore, the budgets in their current form do not incorporate the use of reserves and associated expenditure. As the IJB increases the use of reserves, there is a risk that the information provided to the Board does not give a clear picture of income and associated expenditure.</p>	<p>All budgets should be discussed and approved prior to the start of the financial year - <i>Complete</i></p> <p>As a financial management tool, it is important that the financial plan includes the use of reserves and associated expenditure.</p>	Chief Financial Officer	31/3/20	Complete	-	<p>The 2021/22 Budget approved by the IJB in March 2021 included approval of use of Covid 19 and General Reserves to deliver a balanced Financial Plan.</p> <p>For earmarked reserves including PCIP, ADP, Action 15 and the Community Living Change Fund, the IJB will be asked to endorse spending plans during 2021/22 once proposals are developed.</p>
56	External	Annual Report	2019/20	1	Achievement of reserves strategy: The budget should reflect the intentions of management to build reserves in line with its reserves strategy, which will also require significant discussion and planning with its partner bodies.	The IJB and its partners should work towards developing a plan to achieve the reserves outlined in its strategy.	Chief Financial Officer	31/3/21	Complete	-	As part of Budget discussions for 2021/22 significant progress has been made with both NHS Tayside and Perth & Kinross Council in creating the conditions to establish a level of un-earmarked reserves. Reserves reporting to the IJB will be significantly enhanced including reporting against the target level set out in the Reserves Strategy.
58	External	Annual Report	2019/20	3	<p>Strategic and corporate planning capacity: Although management understand the importance of having a strategic plan in place, there have been significant delays to the preparation of the plan mainly due to lack of capacity within the organisation. We also note that the IJB is currently developing a workforce plan. The revised deadline was 31 March 2019 having been deferred on several occasions. However, from discussion with management in September 2020, this continues to not be achieved. Continued changes in IJB membership reduce the level of experience and ability of members to adequately consider, challenge and support management proposals. In this context, the importance of officer capacity is enhanced. In addition, it was</p>	<p>Management should:</p> <ol style="list-style-type: none"> Complete its planned review of current leadership and management arrangements to ensure sufficient strategic planning capacity; and Prepare a workforce plan- <i>complete</i> 	Chief Officer	31/3/21 (proposed revised completion date for a. 31/10/21)	Part Complete	-	<p>The Chief Officer has engaged with Staff Side and HR to progress the planned restructure over the coming months, in the context of both statutory partners' Organisational Change Policies. This will ensure adequate capacity across the organisation in response to the deficits identified in the Joint Inspection Report, the Annual Governance review and previous Audit Reports.</p> <p>In response to Scottish Government guidance an Interim 1 year Workforce Plan has been drafted for the end of April 2021, ahead of a three-year plan which we will produce during the coming year.</p>

PERTH & KINROSS INTEGRATION JOINT BOARD

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
					indicated as part of our 2018-19 work that the Chief Officer would undertake a review of current leadership and management arrangements in 2019, however, this has also been delayed. This recommendation is unchanged from 2018-19.						
59	External	Annual Report	2019/20	4	Membership of the Board: The appointment of voting members is the responsibility of the partner bodies. In our previous two annual audit reports, we have commented on significant changes in voting members, and the importance of maintaining voting members on the Board who build up experience in respect of the IJB. We identified that only three members of the Board had held positions continuously throughout the year. This significantly reduces the ability of voting members to challenge, scrutinise and make long-term consistent planning and strategic decisions. We also consider that the resources utilised by management to train new voting members are effective, but that delivery of induction training on numerous occasions throughout the year is not sustainable.	Management should discuss appointment of voting members with partners, in order to enhance consistency of membership. This will support effective integration of services which is the ultimate goal of the IJB	Chief Officer	31/3/21	Complete	-	The Chief Officer has written to both Partner Chief Executives in December 2020 to make them aware of this recommendation and to consider taking into consideration the benefits of consistency of membership. For IJB members, annual development meetings have been planned which will identify any required training needs. For new members, development sessions have been arranged. Alongside this an induction pack has been developed to formalise the induction process moving forward.
60	Internal	Performance Management and Reporting	2019/20	1	Performance national indicators are available at Locality level and work is underway as part of the performance framework to report on this regularly. Locality health and social care staff reported a need for more current operational data at Locality level. Clients' health data and service provision were not available to view within one system. To compensate for this, information was updated manually in Locality offices at GP practices where co-located integrated Teams were based. Locality Managers' operational work included daily work-arounds to manage case-loads across different boundary areas of Council care and Tayside Health specialities as boundaries do not always match up.	Planned expansion of performance measurement and reporting at Locality level would be beneficial to local teams and operational management. There is a difference between operational information need requested by Localities and performance reporting, However the link between these information strands is noted. Locality planning may document key challenges and risks to delivery	Chief Financial Officer	31/12/20	Complete	-	Monthly performance information is provided at locality level and work will continue to increase the operational performance data set that is being provided.

PERTH & KINROSS INTEGRATION JOINT BOARD
CLINICAL, CARE & PROFESSIONAL GOVERNANCE RECOMMENDATIONS

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
48	Internal	Follow Up of PK07/17 Clinical, Care & Professional Governance PK04/19	2019/20	Rec 2	Internal Audit recommended that the R2 prepare an annual report for consideration by the Audit & Performance Committee or the IJB. Whilst none was prepared for 2017/18, this action point has been extended to 30 June 2019 to allow for the R2 Forum to prepare an Annual Report for the CCPGC, which in turn will report to the IJB. Management have advised that the 2018/19 R2 Forum annual report is expected to be presented at the June R2 Forum meeting, before being presented to the newly established CCPGC by June 2019, although there are no meetings arranged at this time. The CCPGC will report directly to the IJB.	For 2019/20 onwards, timing of reporting should ensure that the R2 prepares and considers its own annual report, following receipt of which by the CCPGC the Committee then should provide its own annual report to the IJB concluding on the clinical and care governance arrangements in place during the year.	Clinical Governance & Risk Coordinator, Chief Social Work Officer, Clinical Director, Perth & Kinross IJB	-	Complete	-	The CCPGC has not yet been implemented. A development session was held and it was agreed that the CO, CSWO and Clinical Director would produce a report to the IJB on the way forward for the CCPGC. In the absence of a CCPGC, the CCPG Forum annual report will come forward for consideration at the Audit & Performance Committee.

**PERTH & KINROSS INTEGRATION JOINT BOARD
COMPLETED RECOMMENDATIONS**

Overall Action Ref	Internal or External	Report Type	Financial Year	Report Action Ref	Context / Recommendation	Action	All Leads	To be completed by	Status	Days overdue	Latest Update
39	Internal	Annual Report	2018-19	7	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 recommended that risk & performance management arrangements should be included in any further work on the implementation of the Hosted Services Memorandum of Understanding.	A schedule of reporting on services hosted by Dundee and Angus IJB's will be agreed with the Chair/Vice Chair.	Chief Officer	30/06/19	Complete	-	The 6 monthly (April – September 2020) report includes a section on hosted services that the partnership has responsibility for. This will be expanded to include services hosted by Angus and Dundee IJBs moving forward.
45	External	Annual Report	2018/19	3	Strategic and corporate planning capacity: Although management understand the importance of having a strategic plan in place, there have been significant delays to the preparation of the plan mainly due to lack of capacity within the organisation. We note that the IJB is currently developing a workforce plan. The plan was due by 31 March 2019 however, from the review of the June 2019 risk register; we note that the issue is now overdue. Continued changes in IJB membership reduce the level of experience and ability of members to adequately consider, challenge and support management proposals. In this context, the importance of officer capacity is enhanced.	The Chief Officer should address key gaps to provide sufficient officer capacity in respect of strategic and corporate planning in order to ensure the IJBs effectiveness.	Chief Officer	31/3/20	Complete (Superseded by 58)	-	The wider organisational restructure has been delayed due to the global pandemic. However, the demands of the pandemic have also further highlighted the need for an enhanced corporate and strategic planning capacity. We are actively considering how we address and resource this, without awaiting a full restructure. In particular there has been a review of Corporate Service Manager Capacity and re-alignment of portfolios to maximise effectiveness. In addition substantial work has been ongoing to review the Partnership Improvement Plan and identify key capacity gaps with options due to be considered by EMT in the first instance by the end of September 2020. A significant piece of work was undertaken during phase 1 of COVID-19. The workforce supported the response by responding in new and different ways. The HSCP is undertaking a review of the current position to develop a 3 year workforce plan which will be aligned with our Strategic Commissioning and mobilisation Plans. An initial draft will be completed by 14th September and will underpin our workforce plan which will be submitted to IJB in February 2021.
57	External	Annual Report	2019/20	2	Risk sharing agreement: The integration scheme states that any overspend incurred from 2018-19 onwards may be allocated on a proportionate basis of each partners contribution to the IJB. For 2019-20, there has not yet been any formal agreement between partners on how any overspend may be shared and we understand discussions have been limited. We consider best practice to be a formal documentation of the agreement, which will assist in the partners approach to budgeting. It is generally recognised that proportionate risk sharing facilitates effective integration. This recommendation is unchanged from 2018-19, but we note that there is a planned refresh of the integration scheme which may result in a change in respect of risk sharing.	Partners are requested to formally agree the approach for overspends on an annual basis in advance of the financial year on which agreement is sought. Consistency of approach, and consideration of third party guidance should be included as part of the agreement	Chief Officer	31/3/21	Complete	-	The Chief Officer, along with the other Tayside IJBs, has formally requested that the review of IJB's Risk Sharing Arrangements is a formal part of the imminent review of the IJB's Integration Scheme.



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21 June 2021

INTERNAL AUDIT PROGRESS REPORT

Report by Chief Internal Auditor (Report No. G/21/75)

PURPOSE OF REPORT

The purpose of this report is to provide the Audit & Performance Committee with an update on progress in relation to Internal Audit's planned activity.

1. BACKGROUND

The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor reports periodically to the Audit and Performance Committee in internal activity and on performance relative to the approved annual plan.

Since the last report to the Audit and Performance Committee, Internal Audit has continued to work on the remaining assignment from the 2019/20 Internal Audit Plan (report [G/19/141](#) refers), relating to Financial Risks and this is included within the agenda for this meeting. In addition, work has commenced on all assignments from to 2020/21 Audit Plan (Report [G/20/83](#)), two of which have been completed and are included on the agenda for this Committee.

The final assignment, relating to Corporate Support, has been scoped and is in progress. This review is projected to be completed shortly and it is anticipated that it will be reported to the Audit & Performance Committee in September

Work to deliver the Plan will be undertaken through a Joint Working Protocol agreed by the Chief Internal Auditors of both statutory partners.

2. RECOMMENDATION

The Audit & Performance Committee is asked to note the progress made in the delivery of the 2019/20 and 2020/21 plans.

3. CONSULTATION

The Chief Finance Officer has been consulted on the content of this paper.

Author(s)

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APPENDICES

1. Internal Audit Plan Progress Report

Internal Audit Plans Progress Report June 2021

2019/20								
	Audit	Indicative Scope	Target Audit Committee	Planning commenced	Work in progress	Draft Issued	Completed	Grade
PKIJB 19-01	Financial Risks	To provide assurance over the consideration of the financial risks for the Partnership, including engagement with statutory partners.	June 2020	✓	✓	✓	✓	Moderate
2020/21								
N/A	Audit Planning	Agreeing audit universe and preparation of strategic plan	Sept 2020	✓	✓	✓	✓	N/A
N/A	Audit Management	Liaison with managers and Directors and attendance at Audit & Performance Committee	Ongoing	Ongoing				N/A
N/A	Annual Internal Audit Report	CIA's annual assurance statement to the IJB and review of governance self-assessment	June 2021	✓	✓	✓		
PKIJB 20-01	Improvement Actions	To review the efficiency and effectiveness of the completion of agreed improvement actions and the ensuing reporting arrangements.	June 2021	✓	✓	✓	✓	Substantial
PKIJB 20-02	Corporate Support	To ensure that arrangements are in place for the delivery of appropriate corporate support functions for the Partnership and IJB.	April 2021	✓				
PKIJB 20-03	Commissioned Services: Provider Sustainability Payments	To provide assurance over arrangements for the identification and authorisation of sustainability grants	January 2021	✓	✓	✓	✓	Moderate

FTF Internal Audit Service

Financial Risks

Report No. PKIJB 19/01

Issued To: G Paterson, Chief Officer
J Smith, Chief Finance Officer

D Mitchell, Finance Manager

[Follow-Up Co-ordinator]

Audit and Performance Committee
External Audit

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Draft Report Issued	30 April 2021
Management Responses Received	28 May 2021
Target Audit & Risk Committee Date	21 June 2021
Final Report Issued	3 June 2021

INTERNAL AUDIT

1. The relevant professional standard for internal audit activity within public sector organisations is the Public Sector Internal Audit Standards (PSIAS). The definition given in the PSIAS is as follows:
2. “Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

BACKGROUND AND SCOPE

3. This assignment forms part of the Internal Audit plan for 2019/20, approved by the Audit and Performance Committee on 16 September 2019.
4. Financial risks are articulated within the IJB’s risk register and are high risk to the Partnership achieving its objectives. The risks are well articulated, with actions highlighted to mitigate the management of these risks.
5. Following two years of significant overspends for Perth & Kinross IJB (ca. £1.2M in 2018/19 and ca. £1.8M in 2019/20), the 2020/21 financial position (which formed the scope for this audit) shows a positive picture forecasting a significant £2.508m underspend on core services which is planned to be carried forward to 2021/22 as a general reserve. This audit considered arrangements in place to ensure that financial risks are mitigated and managed as appropriate. This included review of documentation and meeting with relevant officers.

CONTROL OBJECTIVES & OPINION

6. This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective 1: To ensure that the IJB understands the financial risks of the Partnership

7. A special meeting of Perth & Kinross IJB in March 2020 approved the Revenue Budget for 2020/21 and the indicative Revenue Budget for 2021/22 and 2022/23 alongside the 3 year financial recovery plan aimed at delivering financial balance and sustainable services.
8. In its most recent report to the Audit & Performance Committee in February 2021, the relevant Strategic Risk *SR01: FINANCIAL RESOURCES* remains rated Priority 1 (*Risk remains extreme even after all identified controls and treatments have been applied. There are significant risks, which may have a serious impact on the Partnership and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk*) Controls are assessed as A (*Controls are working effectively*).
9. Within the risk, controls are assessed as working effectively, albeit they only reduce the probability of occurrence to ‘high’ and therefore additional mitigating actions are required to further reduce the risk.
10. The IJB recognises that future financial strategy is dependent on development of a new Strategic Plan based on the new post Covid context and the impact on demand and

resources and associated transformation work to ensure planning for sustainability. For example the March 2021 budget paper to the IJB set out that *'We intend to review our Strategic Commissioning Plan and as part of that our Service Redesign and Transformation Programme on the basis of our experience over the last 12 months and through a 'Covid lens' which is likely to have a significant bearing on the Medium Term Financial Plan'*. The IJB does also have both efficiency savings and service redesign programmes,. However, none of these are currently noted as controls within the Finance risk. We would recommend that the risk is reviewed and controls are updated to include eany processes designed to ensure long term sustainability. The IJB's financial position is regularly monitored at governance level. Of the 5 meetings of the IJB which took place during 2020/21 (following the March meeting which approved the budget), 4 received formal monitoring reports on the financial position in May, September, December and February, with a verbal report being made in July 2020. An additional report went to the A&PC in November 2020 ensuring reporting remained timely. We also confirmed that financial monitoring is included in the IJB's forward planner for each future meeting, ensuring regular adequate monitoring.

11. Since end September 2020, the Financial Position monitoring reports to the IJB have been projecting a significant underspend at year end (to be carried forward as a general reserve to 2021/22). The most recent IJB report in February 2021 on the 2020/21 financial position shows a positive picture forecasting a significant £2.508m underspend on core services which is planned to be carried forward to 2021/22 as a general reserve.
12. The narrative provided shows that this was mostly due to vacancies on the health side and lower usage on the social care side. Although clearly impacted heavily by the scale of remobilisation efforts, it is not possible at this point to establish and report on whether these variances were caused by the change in demand due to Covid (for example, if supplementary staffing would have had to have been utilised in a normal year, or whether the drop in usage is likely to lead to additional needs going forward). Direct costs of Covid (including the impact on savings delivery) and funding received are separately reported; all costs have been covered with an additional allocation of £3.963m for future Covid19 costs to be carried forward as an ear marked reserve. Another development leading to an improved financial position in 2020/21 was the transfer of operational responsibility for inpatient mental health services to NHS Tayside. This area had previously been a significant risk to the financial position of P&K IJB. However, there is as yet no long term agreement, pending the review of the Integration Scheme.
13. In the current context it is therefore difficult to assess whether there has been an improvement in the underlying financial position as a consequence of actions taken by the IJB, or whether this is a temporary improvement due to changes in both demand and funding arising from Covid. This understanding is crucial to assessing the accuracy of the risk in the longer term.
14. We have been informed by management that work is being undertaken to understand the future impacts of Covid on the financial position.. As set out in the revenue budget for 2021/22, PKHSCP is committed to medium term financial planning; however the Covid19 pandemic has required an extraordinary but pragmatic response and therefore a 1 Year Budget has been prepared.
15. Development events and Budget Review Group (BRG) meetings with IJB members during the year also contribute to providing members with a view of financial pressures and opportunities being faced.

16. Financial Reporting shows transparency and differentiates clearly between the underlying operational position, as well as Covid direct costs and funding.
17. Financial reporting also includes monitoring of the recovery plan on a projected versus planned basis.
18. Papers make reference to reporting on the risks to delivery of the IJB's Financial Plan 2020/21, although this is no longer set out under a specific heading on 'areas of further financial risk' as was previously the case. It would be good practice to include a section on Risks & Opportunities to allow members to be informed of emerging trends, risks and issues. We recommend that financial reports should include a formal risk assessment including quantifying the potential financial impact of any issues arising wherever possible. Information should be detailed enough to allow members to judge whether issues are being anticipated/reported timeously.
19. We reviewed the minutes of IJB meetings to determine the level of scrutiny. Although the style of minutes is more minimalist in nature, we have been informed by management that discussion and scrutiny take place during the finance agenda items. Alongside the development events and BRG meetings as referenced above, we conclude that understanding of whether and to what extent the underlying position has improved.
20. Although the IJB has previously moved towards longer term financial planning, due to both a lack of management capacity whilst dealing with the Covid emergency as well as the uncertainties presented by the pandemic, it was agreed to develop a one year budget for 2021/22. We acknowledge the extreme difficulties in developing a longer term plan and the IJB accepts that a medium term plan will be dependent upon the review of the Strategic Commissioning Plan and Service Redesign and Transformation Programme.
21. We also noted clear links to the financial position from other individual papers to the IJB on topics such as transformation of individual services. A financial implications section is also included in the Board & Committee report template and our review of a sample of items showed this section appropriately completed where applicable.
22. Although the IJB is provided with adequate reporting to understand the financial risks it is facing in the short term, there could be better links between financial reporting and the Finance risk and greater emphasis on the underlying position. The Financial position monitoring report should be overtly related to the Financial Resources strategic risk, should provide all necessary assurances and in particular should contain a conclusion on whether controls are operating effectively to mitigate the risk as intended and support the current scoring of the risk. Once a medium term plan is developed that should be incorporated into the risk as well as the focus on the outcome for the year.

Control Objective 2: To ensure that there is appropriate engagement from the Board with the statutory bodies to ensure the long term sustainability of the IJB.

23. There are several important issues impacting on the relationship with the partner bodies which have previously been the subject of recommendations from various sources.
24. The objective of Large Hospital Set Aside (LHSA) is to create a coherent single cross-sector system for local joint strategic commissioning of health and social care services and a single process through which a shift in the balance of care can be achieved. Fundamental to this endeavour is a clear understanding of how Large Hospital services are being consumed and how that pattern of consumption and demand can be changed by whole system redesign.
25. A partnership improvement plan, based on the recommendations arising from the Ministerial Steering Group (MSG) for Health and Community Care 'Review of Progress


with Integration of Health and Social Care, Final Report, February 2019', was last reported to the A&PC in June 2020. Whilst some progress has been made against the Finance recommendations in the MSG report, a number of actions remain outstanding, including the implementation of LHSA referred to above, and at the time of our fieldwork, neither the A&PC nor the IJB had received recent updates on the current position or likely completion of agreed actions. The Partnership Improvement Plan has now been updated by management and is planned for presentation to the June 2021 A&PC meeting. This shows the RAG rating of the financial controls actions reducing to green and amber, reflecting progress made.

26. Both internal and external audit have previously made recommendations to clarify and agree risk sharing arrangements in relation to overspends on the IJB's resource, most recently in the 2019/20 Annual External Audit report.
27. Internal and external audit recommendations are monitored through Audit recommendation update reports to the A&PC, most recently in a November 2020 report, which stated that the Chief Officer, along with those of the other Tayside IJBs, has formally requested that the review of IJB's Risk Sharing Arrangements is incorporated within the imminent review of the IJB's Integration Scheme.
28. We are aware that pan-Tayside efforts in relation to both LHSA and reviews of the Integration Schemes have been delayed in part due to the effect of Covid-19.
29. In January 2020, the Scottish Government issued further guidance '*to improve practice in the issuing and implementation of directions issued under the Public Bodies (Joint Working) (Scotland) Act 2014*'. Directions are the means by which an IJB tells the Health Board and Local Authority what is to be delivered using the integrated budget. Making improvements in the use of Directions is included in the Partnership Improvement Plan (see Paragraph 20 above).
30. We were informed by management that the IJB has received close support from Council colleagues in its financial planning and management arrangements. The PKC budget process allows for regular discussion with the HSCP. The different approach to budget setting on the NHS Tayside side means that this close interaction is not mirrored on the health side. We were informed that due to the impact of the pandemic, only one meeting took place with the NHS Tayside Director of Finance over the financial year. However, regular meetings have now been scheduled throughout 2021/22 with the NHS Tayside Director of Finance to ensure understanding of respective financial positions and to support budget setting discussions for future years.
31. We would stress the importance of continued focus on progress with these long standing complex actions including scrutiny at governance level on implications of non achievement. As these complex actions cannot be solved by the IJB in isolation, if necessary, and for issues involving Partners, escalation should be to the Working Together Forum, where the Chairs, Council Leaders, Chief Executives and Chief Officers from all partner bodies meet. Consideration should also be given to working with the other Tayside IJBs who also have to find solutions to these issues.

AUDIT OPINION

32. The Audit Opinion of the level of assurance is as follows:

Level of Assurance	System Adequacy	Controls
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Moderate Assurance		Adequate framework of key controls with minor weaknesses present.	Controls are applied frequently but with evidence of non-compliance.
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A description of all definitions of assurance and assessment of risks are given in Section 3 of this report.


ACTION

The action plan at Section 2 of this report [has been agreed with management] to address the identified weaknesses. A follow-up of implementation of the agreed actions will be undertaken in accordance with the audit reporting protocol.

ACKNOWLEDGEMENT

33. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

Jackie Clark
Chief Internal Auditor

Action Point Reference 1	
Finding:	
<p>We concluded that the IJB is provided with adequate reporting to understand the financial risks it is facing in the short term. .</p> <p>We also note that the complex impact of Covid on the long term financial position makes an assessment of the accuracy of the risk in the longer term very difficult at this time.</p> <p>However, to improve the flow of assurance, there could be better links between the reporting on the financial position and the Finance risk.</p>	
Audit Recommendation:	
<p>The Financial position monitoring report should be overtly related to the Financial Resources strategic risk, should provide all necessary assurances and in particular should contain a conclusion on whether controls are operating effectively to mitigate the risk as intended and support the current scoring of the risk. Once a medium term plan is developed that should be incorporated into the risk as well as the focus on the outcome for the year.</p> <p>In addition, management should consider inclusion of the following in the financial reporting format:</p> <ul style="list-style-type: none"> • Clear identification of risks and emerging issues to include a more formal risk assessment including quantifying the potential financial impact of any issues arising wherever possible. Information should be detailed enough to allow members to judge whether issues are being anticipated/reported timeously. 	
Assessment of Risk:	
Insert relevant icon and description of assessment here by deleting those not applicable:	
Significant	 <p>Weaknesses in control or design in some areas of established controls.</p> <p>Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>
Management Response/Action:	
All financial monitoring reports from 2021/22 onwards will include a section identifying financial risks and mitigating actions.	
Action by:	Date of expected completion:
Head of Finance and Corporate Services	30 September 2021

Action Point Reference 2**Finding:**

Within the Financial Resources Strategic risk, controls are assessed as working effectively, albeit they only reduce the probability of occurrence to 'high' and therefore additional mitigating actions are required. The format of recording the IJB's strategic risks does not include information on a planned score for each risk, nor any additional actions to reduce the risk.

The IJB's financial planning approach should ensure planning for sustainability. However, although the IJB does have both efficiency savings and service redesign programmes, none of the controls noted within the Finance risk refer to these or any other processes designed to ensure long term sustainability.


Audit Recommendation:

The IJB recognises that future financial strategy is dependent on development of a new Strategic Plan based on the new post Covid context and the impact on demand and resources and associated transformation work. For example the March 2021 budget paper to the IJB set out that *'We intend to review our Strategic Commissioning Plan and as part of that our Service Redesign and Transformation Programme on the basis of our experience over the last 12 months and through a 'Covid lens' which is likely to have a significant bearing on the Medium Term Financial Plan'*.

Once available, the risk should be updated for these additional controls.

Assessment of Risk:

Insert relevant icon and description of assessment here **by deleting those not applicable:**

Significant		Weaknesses in control or design in some areas of established controls. Requires action to avoid exposure to significant risks in achieving the objectives for area under review.
-------------	---	--

Management Response/Action:

Complete


Action by:





Date of expected completion:

Head of Finance and Corporate Services

N/A




Action Point Reference 3

Finding:	
There are several complex issues impacting on the relationship with the partner bodies which have previously been the subject of recommendations from various sources and remain outstanding at this point. These actions cannot be solved by the IJB in isolation.	
Audit Recommendation:	
<p>We would stress the importance of continued focus on progress with these long standing complex actions including scrutiny at governance level on implications of non achievement.</p> <p>If necessary, and for issues involving Partners, escalation should be to the Working Together Forum, where the Chairs, Council Leaders, Chief Executives and Chief Officers from all partner bodies meet</p> <p>Consideration should also be given to working with the other Tayside IJBs who also have to find solutions to these issues.</p>	
Assessment of Risk:	
Insert relevant icon and description of assessment here by deleting those not applicable:	
Significant	 <p>Weaknesses in control or design in some areas of established controls.</p> <p>Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>
Management Response/Action:	
Meetings have now been arranged collectively with the Director of Finance and all 3 CFO's for the duration of 2021/22 to discuss and resolve common issues. In addition, meetings have also been scheduled on a 1:1 basis with the NHST Director Finance. In addition meeting s have been scheduled jointly with the Director of Finance NHST and the Head of Finance Perth & Kinross Council with the Head of Finance and Corporate Services during the year. Wider meetings with Chief Executives will be planned as part of discussion in relation to the review of the Integration Scheme and financial risk sharing arrangements.	
Action by:	Date of expected completion:
Jointly Chief Officer, Chief Executives NHS Tayside, Perth & Kinross Council.	Complete as far as possible by the Chief Officer

Level of Assurance		System Adequacy	Controls
Comprehensive Assurance		Robust framework of key controls ensure objectives are likely to be achieved.	Controls are applied continuously or with only minor lapses.
Moderate Assurance		Adequate framework of key controls with minor weaknesses present.	Controls are applied frequently but with evidence of non-compliance.
Limited Assurance		Satisfactory framework of key controls but with significant weaknesses evident which are likely to undermine the achievement of objectives.	Controls are applied but with some significant lapses.
No Assurance		High risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

Assessment of Risk

To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:

Risk Assessment		Definition	Total
Fundamental		Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met.	
Significant		Weaknesses in control or design in some areas of established controls. Requires action to avoid exposure to significant risks in achieving the objectives for area under review.	
Merits attention		There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.	



Perth & Kinross Health and Social Care Partnership

Internal Audit Report
All Services
PKIJB20-01: Improvement Actions
May 2021

Final Report

Legal and Governance
Corporate and Democratic Services
Perth & Kinross Council
Council Offices
2 High Street
Perth
PH1 5PH

PKCIJB 20-01 Improvement Actions

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1. Introduction

1.1 This audit was undertaken as part of the Internal Audit plan for 2020/2021, approved by the Audit and Performance Committee on 14 September 2020.

1.2 The indicative scope for the audit was to review the efficiency and effectiveness of the completion of agreed improvement actions and the ensuing reporting arrangements. However, due to COVID and the resultant impacts that this has had upon the Service and delivery of actions within the Partnership Improvement Plan, the audit has been rescoped slightly to more broadly provide assurance around the improvement action monitoring framework and progression thereof.

1.3 This audit is intrinsically linked with most of the [Strategic Risks](#) stated on the register as related actions will be progressed through and impacted by the Partnership Improvement Plan.

2. Audit Background Information

2.1 The IJB's Annual Governance Statement for 2018/19, as approved at the Audit and Performance Committee in June 2019, included an improvement action for 2019/20 which stated that "a comprehensive improvement plan will be developed that brings together the findings of the Joint Inspection, the findings of the Annual Governance Self-Assessment and as part of that the MSG Review of Integration."

2.2 The work necessary to collate the actions and recommendations from these reports was undertaken and collated into the Partnership Improvement Plan which was presented to the Integration Joint Board meeting of 12th February 2020.

2.3 The Board requested at this meeting that the Chief Officer provide an update on the Partnership Improvement Plan to each Audit & Performance Committee meeting and to provide a regular update on the work being undertaken to implement the necessary actions.

2.4 Internal Audit carried out a consultancy assignment in 2020, the outcomes of which were reported to the Audit & Performance Committee on 14 September 2020 (report [G/20/84](#) refers). This consultancy activity was focused around providing advice and support to the Service for developing arrangements.

2.5 This audit is a follow up to that assignment.

3. Scope and Limitations

3.1 In order to arrive at an opinion on the effectiveness of controls, this audit reviewed arrangements in place to provide assurance around the improvement action monitoring framework.

3.2 This high-level review considered internal processes and evidence around information collation, scrutiny and challenge, consistency of reporting measures, information presentation and evidence supporting progression of the plan.

3.3 A sample of 5 improvement actions was selected and evaluated for progression evidence. This sample represents approximately 13% of the action plan.

3.4 This review was carried out remotely and consisted of analysis of documentation and interviews with relevant Officers.

3.5 This review did not consider this activity in relation to Corporate Risk 10 - Corporate Support capacity as this is subject to a separate internal audit included within the 2020/21 Internal Audit plan.

4. Assessment of the Control Environment

4.1 The table below contains a summary of the findings against each control objective and Internal Audit's assessment of the adequacy and effectiveness of the controls in place to meet each of the objectives agreed for this audit. Further details, including any improvement actions, are set out in the Management Action Plan.

No.	Control Objective	Action Rating					Control Objective Assessment
		5	4	3	2	1	
1	To ensure that there are appropriate arrangements for the collation, recording and reporting of improvement actions through the Partnership Improvement Plan				2	1	Substantial

4.2 The auditor has assessed that substantial assurance can be placed on controls overall in relation to improvement actions from the audit. Meaning:

A sound system of governance, risk management and control exists.

4.3 A summary of the key findings and actions are provided in section 5, please note however, the following areas of good practice which have been highlighted during the audit:

4.4 All improvement actions have been collated into a single plan for internal monitoring within the Service and subsequent reporting to the IJB.

4.5 The Partnership Improvement Plan is being compiled by the Business & Resources Manager who is well placed within the organisation to receive regular information on actions through normal business activity.

4.6 Target dates and change in status information from last review are being presented to the Audit & Performance Committee, which will allow for greater scrutiny.

4.7 Each part of the plan has a defined Responsible Owner by job title.

5. Summary of Findings

5.1 Below is a summary of key findings and actions, which are reflected in the Management Action Plan, detailed in section 9.

5.2 IT was agreed with the IJB on 12th February 2020 ([report G/20/11](#) refers) that there would be regular updates to the Audit & Performance Committee on matters relating to the Partnership Improvement Plan (PIP). Despite the challenges relating to the response to the COVID pandemic and the subsequent remobilisation, this information was provided to Committee in June, September and November 2020.

5.3 Whilst a specific PIP update was not provided to the Audit & Performance Committee in February 2021, the agenda contained a focus on improvement actions arising from the Joint Inspection. A report on the PIP is being presented at the June 2021 meeting of the Committee and provides a more complete update on all actions and progression status.

5.4 Consideration of the PIP has been included as a Standing Item with the Audit & Performance Committee Work Plan for 2020/21 which gives assurance around future review frequency.

5.5 There is evidence of appropriate collation and scrutiny of the PIP, which facilitated update and challenge by the Business & Resources Manager, Responsible Officers and peers within the Executive Management Team. Discussions are underway to further refine arrangements around timelines/forum for collation and scrutiny of the plan prior to future submissions to the Audit & Performance Committee.

Action Point 1

5.6 There is evidence of actions relating to the PIP being considered and progressed at an appropriate level. This includes a detailed review of the Plan taking place as described to Audit & Performance Committee in September 2020, considering resource, prioritisation and progress as well as a further PIP workshop with the Executive Management Team in May 2021.

5.7 The Services are working closely together to update information within the plan, however, there is acknowledgement that documenting definitions of the RAG and Priority Status meanings may assist in ensure common understanding of these across the Service and Audit & Performance Committee.

Action Point 2

5.8 The Service advises that there is confidence that all improvement actions have been collated and are represented appropriately, and this is backed up by a mapping document, linking to key inspection and review findings.

5.9 The Business & Resources Manager works closely with the Executive Management Team to ensure that any additional actions arising will be identified and added to the plan as required. There is evidence of this control working through the inclusion of 2 actions identified through Annual Governance Review in 2020/21.

5.10 Internal Audit carried out a high-level review of the PIP between versions and the Auditor is satisfied that this shows appropriate movement of priorities, RAG status and update information as the plan has developed and progressed.

5.11 All recorded actions now have an attributed Responsible Owner and show consideration of target dates. A new category has been created which reflects those improvement actions which are not solely within the Partnerships control and require input and collaboration with Statutory Partners for satisfactory completion. Furthermore, there are no red status actions, reflecting the development and progression of plans.

5.12 A small sample of Improvement Actions from the plan was also examined to gain assurance around reported changes and supporting evidence. The Auditor was satisfied with all explanations and evidence received.

5.13 The Service is currently considering how to best link and file documents related to action completion, to enable quick and easy referencing/provision of evidence for any follow up inspection activity.

Minor observation

6. Conclusion

6.1 The Internal Audit review is able to place substantial assurance on the overall control environment surrounding the Performance Improvement Plan.

7. Acknowledgements

Internal Audit would like to thank all officers who were involved in this audit, particularly F Low, Business & Resources Manager.

8. Action Implementation & Follow up

8.1 Responsibility for the maintenance of adequate and effective controls rests with management. Where the audit has identified areas for management action, these are identified in the Management Action Plan. Where a decision is taken by management not to act in response to finding from this review, it is the responsibility of management to assess and accept the risk arising from non-implementation.

8.2 Achievement of the agreed actions is monitored through Internal Audit's 'follow up' arrangements.

9. Management Action Plan

Action Point	Para. No	Finding	Risk Rating	Agreed Action & Evidence	Action Owner	Target Completion Date
1	5.5	Discussions are underway to further refine arrangements around timelines/forum for collation and scrutiny of the plan prior to future submissions to the Audit & Performance Committee.	2 - Low	Agreed action: An operating procedure will be developed setting out a standard approach to the regular update and review and scrutiny through the Executive Management Team. Agreed evidence: Operating procedure and timetable.	Business & Resources Manager	30 th June 2021
2	5.7	The Services are working closely together to update information within the plan, however, there is acknowledgement that documenting definitions of the RAG and Priority Status meanings may assist in ensure common understanding of these across the Service and Audit & Performance Committee.	2 - Low	Agreed action: A key will be added to the Plan which will define RAG and priority status meanings. Agreed evidence: New version of the plan including the key/next update report to Committee	Business & Resources Manager	30 th June 2021

10. Authorisation

The auditor for this assignment was L Ferguson. The supervising auditor was J Clark.

This report is authorised for issue:

11. Distribution

This report has been distributed to:

G Paterson, Chief Officer – IJB

J Smith, Chief Finance Officer – IJB

E Devine, Head of Health

H Dougal, Associate Medical Director

Z Robertson, Service Manager (Policy & Commissioning)

K Ogilvy, Service Manager (Adult Social Work & Social Care)

F Low, Business & Resources Manager

Committee Services

External Audit

12. Assessment Definitions

The following table contains the definitions of the control objective assessment.

Control Objective Assessment	
Level of assurance	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

The following table contains the definitions applied by Internal Audit in rating audit findings/actions.

Risk Rating for Individual Findings		
Rating	Rating description	Definition
5	Critical	Significant observations / major concerns which require immediate action. Management will need to add these to the appropriate Service risk register <i>Issue represents a control weakness which could cause, or is causing, severe disruption of the process or severe adverse effect on the ability to achieve process objectives</i>
4	High	Significant observations regarding the absence / failure of key controls requiring urgent action. Management should consider adding these to the appropriate Service / divisional risk register <i>Issue represents a control weakness which could have, or is having, major adverse effect on the ability to achieve process objectives</i>
3	Medium	Observations regarding the effectiveness of key controls requiring reasonably urgent action. Management should consider these when updating any divisional / team risk registers <i>Issue represents a control weakness which could have, or is having, significant adverse effect on the ability to achieve process objectives</i>

2	Low	<p>Minor observations regarding the adequacy of controls which require action to improve the efficiency, effectiveness or economy of operations or which otherwise require to be brought to the attention of Senior Management</p> <p><i>Issue represents a minor control weakness with minimal but reportable impact on the ability to achieve process objectives</i></p>
1	Trivial / Minor	<p>Very minor observations which will be raised during the course of the audit and may not be included within the final report</p> <p><i>Issue represents a very minor control weakness with negligible impact on the ability to achieve process objectives. The issue will be raised during the course of the audit and may not be included within the final report.</i></p>



Perth & Kinross Health and Social Care Partnership

Internal Audit Report
Policy & Commissioning
PKIJB20-03 Commissioned Services:
Providers Sustainability Payments
May 2021

Final Report

Legal and Governance
Corporate and Democratic Services
Perth & Kinross Council
Council Offices
2 High Street
Perth
PH1 5PH

PKCIJB 20-03 Social Care Sustainability Payments

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[12. Assessment Definitions](#)

1. Introduction

1.1 The audit of social care sustainability payments made to Commissioned Service Providers was undertaken as part of the Internal Audit Plan for 2020/2021, which was approved by the Audit & Performance Committee on 14 September 2020.

1.2 The indicative scope for the audit was to provide assurance over arrangements for the identification and authorisation of sustainability grants.

1.3 This audit is linked to the following [Strategic Risks](#):

SR01 - Financial Resources

SR06 – Viability of External Providers

SR07 – Insufficient Preparedness for Future COVID-19 (or other pandemic) Pressures

1.4 Whilst this audit is undertaken as part of the Internal Audit Plan for the Integration Joint Board, aspects of this review involve key processes which are undertaken by Perth & Kinross Council on the IJB's behalf. As such, this report will also be considered by Perth & Kinross Council's Audit Committee.

2. Audit Background Information

2.1 The outbreak of COVID-19 is unprecedented and the significant impacts upon businesses of all types and sizes, such as financial viability, supply chain disruption and ability to retain staff, is widely recognised. In response to this, numerous UK and Scotland-wide systems of support for businesses have been introduced.

2.2 In addition to these, and in recognition of the pivotal role played by the Social Care sector in responding to the pandemic, further targeted funding support has been made available for Commissioned Service Providers and their staff. This is to assist in ensuring the sectors future operational and financial viability.

2.3 Whilst there are 2 support schemes available, covering differing elements of costs, any additional funding provided in relation to COVID-19 is referred to generally as 'Social Care Provider Sustainability'.

2.4 The first scheme consists of funding to support Social Care providers with COVID-19-related costs, such as a reduction in occupancy due to the virus, additional staffing costs, infection prevention and control and personal protective equipment.

2.5 The second consists of funding to support workers who, due to the nature of their work or work environment, may have seen their income reduced as a result of being restricted/not being able to work for a reason relating to Coronavirus, for example through having to self-isolate. Its purpose is to ensure that social care workers do not experience financial hardship.

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2.6 The Policy & Commissioning and Finance sections of the Health & Social Care Partnership are responsible for the assessment and administration of Social Care Provider Sustainability claims and payments. Payments are made by the Financial Assessment and Charging Team.

2.7 The forecast up to February 2021 projects the cost of such payments within Perth & Kinross to be circa £3.1 million.

3. Scope and Limitations

3.1 In order to arrive at an opinion on the effectiveness of controls, this audit reviewed arrangements put in place to ensure that social care provider sustainability claims were reasonable, in line with guidance, substantiated by evidence and paid out appropriately. Additional areas reviewed were around recording and monitoring processes to facilitate reclaim from the Scottish Government.

3.2 The review considered areas such as application, assessment, authorisation, recording, payment and reclaim processes.

3.3 A sample of 7 claims was analysed in detail. This sample was selected taking into consideration volumes and values of claim elements, establishment type and was representative of claims made at time of the audit commencing. It included claims for increased costs in personal protective equipment, information technology equipment, additional staffing costs, costs for occupancy/loss of income and claims made from the social care support fund.

3.4 This review was carried out remotely and consisted of analysis of documentation and interviews with relevant Officers.

4. Assessment of the Control Environment

4.1 The table below contains a summary of the findings against each control objective and Internal Audit's assessment of the adequacy and effectiveness of the controls in place to meet each of the objectives agreed for this audit. Further details, including any improvement actions, are set out in the Management Action Plan.

No.	Control Objective	Action Rating					Control Objective Assessment
		5	4	3	2	1	
1	To provide assurance over the arrangements in place in relation to social care sustainability payments			1	3	1	Reasonable assurance

4.2 The auditor has assessed that reasonable assurance can be placed on controls overall in relation to social care sustainability payments from the audit. Meaning:

There is a generally sound system of governance, risk management and control in place.

4.3 A summary of the key findings and actions are provided in section 5, please note however, the following areas of good practice which have been highlighted during the audit:

4.4 The Service worked quickly and pro-actively to set up a process to support Social Care Sustainability Providers at the beginning of the pandemic. This was achieved at a time when available resources were being deployed to support essential services during the initial response to the COVID-19.

4.5 There is evidence that the Service continued to refine arrangements as more information became available.

4.6 A good working relationship was noted between the Finance and Commissioned Services teams.

4.7 Flexibility was shown by the teams to ensure an appropriate balance between information and evidence received and placing an administrative over-burden on the suppliers. This helped also to ensure payments could be made timeously.

4.8 The Service advises that a Tayside Sustainability and Additional Payments Consortium was set up to discuss any issues, share best/common practice, and discuss some approaches concerning National providers or providers who are known to cover the Tayside area.

4.9 Additional areas of good practice/controls operating as intended have been included within the summary of findings section.

5. Summary of Findings

5.1 Below is a summary of key findings and actions, which are reflected in the Management Action Plan, detailed in section 9.

5.2 The Service acknowledges the challenges presented both for providers, and themselves, in understanding constantly evolving guidance and evidence requirements in the context of the volume of schemes available.

5.3 There is evidence of the service working with providers to ensure that they understand funding available, application and evidence requirements.

5.4 Audit sample testing suggests controls are operating effectively in preventing duplication of claims from separate funding streams and in ensuring that monies are paid out in respect of items within the scope of guidance only.

5.5 Additionally, suppliers must sign a declaration regarding honest disclosure and conformance to terms of guidance. These define actions available to the Council including application cancellation and open book retrospective auditing and repayment by the supplier as deemed necessary.

5.6 Internally, there is an assessment and authorisation process, frequent meetings to discuss applications and a tracker outlining all applications made. This tracker generally contains clear and transparent explanation for decisions made.

5.7 Whilst it is recognised that the process was introduced as a temporary measure at a time of great flux, there is currently no documented internal procedure in place which reflects the full scope of how applications are received, assessed and processed. Owing to the ongoing nature of payments, and some matters picked up during the audit around controls and responsibilities, the Service may wish to review measures and document the process internally to ensure clarity.

Action Point 1

5.8 The above point is particularly significant as it was noted within guidance that a general cap of 25% of the annual contract value for any extraordinary costs being requested should be applied, however, no control was in place at the time of the audit to ensure that this limit was not exceeded.

Action Point 2

5.9 Audit is satisfied that the Service are considering and communicating relevant changes to guidance, however, for transparency, ease of reference and auditing, the Service may wish to consider implementing a change control log for any similar projects in future. This has been highlighted to the Service as a minor issue.

5.10 Application information and evidence is currently stored in individual folders defined by supplier in generic email files by both Finance and Commissioning/ Contracts Team. There is currently no access to a shared drive for both teams. Whilst the Service were able to provide evidence for each of the sample applications, it may be of benefit to investigate potential to utilise the Council Electronic Data Management Storage/SharePoint facilities to move these to a centralised repository/drive. This will assist in ensuring that information is kept in line with any storage retention and data protection requirements.

Action Point 3

5.11 There are fraud controls operating, thereby limiting potential for payments being made to fraudulent suppliers. Audit testing revealed some minor points in respect of these and this information has been shared with the Service for consideration when documenting their internal process and controls. There was, however, assurance that all applications and payments sampled were made by and paid to genuine suppliers only.

5.12 There is evidence that controls around approvals and authorisation are operating effectively.

5.13 There are payment, financial recording and monitoring controls in place, however, weaknesses in these were highlighted when the Auditor noted a duplicate payment made to a supplier.

5.14 The Services involved were quick to investigate this matter and implement appropriate controls to prevent further occurrence, investigate if this is an isolated incidence and to take reconciliatory actions to recoup monies paid out in error. The Service stated that the detailed reconciliation undertaken at year-end would have highlighted this duplicate for recovery.

Action Point 4

5.15 Actions and observations noted during the audit which were minor in their impact, but which may provide feedback to improve the control environment in the future, have been communicated directly to the Service. These are not included within the action plan but will be picked up through the minor issues log referenced.

Action Point 5

5.16 There is evidence of a drawdown process and monies having been reclaimed from the Scottish Government to cover expenses already paid out.

6. Conclusion

6.1 The Internal Audit review is able to place reasonable assurance on the overall control environment for Health & Social Care Sustainability Payments. The agreed actions, once implemented, should enable Internal Audit to place substantial assurance on these.

7. Acknowledgements

Internal Audit would like to thank all officers who were involved in this audit, particularly officers within the Policy & Commissioning, Finance and Financial Assessment & Charging teams.

8. Action Implementation & Follow up

8.1 Responsibility for the maintenance of adequate and effective controls rests with management. Where the audit has identified areas for management action, these are identified in the Management Action Plan. Where a decision is taken by management not to act in response to finding from this review, it is the responsibility of management to assess and accept the risk arising from non-implementation.

8.2 Achievement of the agreed actions is monitored through Internal Audit's 'follow up' arrangements.

9. Management Action Plan

Action Point	Para. No	Finding	Risk Rating	Agreed Action & Evidence	Action Owner	Target Completion Date
1	5.7	There is currently no documented internal procedure/process flow in place which reflects the full scope of how applications are received by the department, assessed or processed.	2 - Low	Agreed action: The internal process for dealing with applications, including key control elements will be documented. Agreed evidence: Internal procedure document	R Pollock, Team Leader – Planning & Policy	May 2021
2	5.8	Guidance states that a general cap of 25% of the annual contract value for any extraordinary costs being requested should be applied. No control was in place at the time of the audit to ensure that this limit was not exceeded.	2 - Low	Agreed action: An additional step will be added to the process to check that this limit is not being breached and a retrospective check will be carried out in respect of payments already made. Agreed evidence: Internal procedure document & evidence of retrospective review	R Pollock, Team Leader – Planning & Policy	May 2021
3	5.10	Application information and evidence is currently stored in individual folders defined by supplier in generic email files by both Finance and Commissioning/Contracts Team. To ensure compliance with storage	2 - Low	Agreed action: Work is already progressing to implement a new file structure on an appropriate drive to move evidence to Agreed evidence: Confirmation that a new filing structure has been implemented and is in use	M Grant, Finance Team Leader	June 2021

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		retention and data protection requirements the Service may wish to consider moving these to a central repository on an appropriately secured drive through use of the Council Electronic Data Management Storage/SharePoint facility.				
4	5.13 & 5.14	Audit testing revealed limitations in Assessment & Charging Team payment controls which led to a duplicate payment being made to a supplier.	3 - Medium	<p>Agreed action: The Assessment & Charging Team advises that controls have now been implemented to prevent a recurrence of this finding. A member of the Assessment & Charging Team is contacting the supplier to arrange reimbursement of the duplicate.</p> <p>Agreed Evidence: Procedure document evidencing new controls; confirmation from Services that controls are in place and documented outcomes of historic review; evidence of reimbursement of duplicate payment</p>	E MacDonald, Client Funds Co-ordinator (assessment and charging element)	June 2021
5	5.15	There were some actions and observations noted during the audit which were minor in their impact, but which may provide feedback to	1 – Minor	<p>Agreed action: The minor issues log will be considered as part of any process review</p>	M Grant, Finance Team Leader	June 2021

		<p>improve the control environment in the future.</p> <p>These have been communicated directly to the Service for consideration in a minor issues log.</p>		<p>Agreed Evidence: Confirmation from service that the minor issues log has been reviewed and action taken where necessary</p>		
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10. Authorisation

The auditor for this assignment was L Ferguson. The supervising auditor was J Clark.

This report is authorised for issue:

11. Distribution

This report has been distributed to:

G Paterson, Chief Officer - IJB

E Devine, Head of Health

J Smith, Chief Finance Officer – IJB

H Dougal, Clinical Director

D Mitchell, Finance Manager

Z Robertson, Service Manager (Policy & Commissioning)

C Jolly, Service Manager (Business Planning and Performance)

F Low, Business & Resources Team Leader

M Grant, Finance Team Leader

R Pollock, Team Leader – Planning & Policy

I Boyle, Contract & Commissioning Officer

E MacDonald, Client Funds Co-ordinator

Committee Services

External Audit

12. Assessment Definitions

The following table contains the definitions of the control objective assessment.

Control Objective Assessment	
Level of assurance	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

The following table contains the definitions applied by Internal Audit in rating audit findings/actions.

Risk Rating for Individual Findings		
Rating	Rating description	Definition
5	Critical	Significant observations / major concerns which require immediate action. Management will need to add these to the appropriate Service risk register <i>Issue represents a control weakness which could cause, or is causing, severe disruption of the process or severe adverse effect on the ability to achieve process objectives</i>
4	High	Significant observations regarding the absence / failure of key controls requiring urgent action. Management should consider adding these to the appropriate Service / divisional risk register <i>Issue represents a control weakness which could have, or is having, major adverse effect on the ability to achieve process objectives</i>
3	Medium	Observations regarding the effectiveness of key controls requiring reasonably urgent action. Management should consider these when updating any divisional / team risk registers <i>Issue represents a control weakness which could have, or is having, significant adverse effect on the ability to achieve process objectives</i>

2	Low	<p>Minor observations regarding the adequacy of controls which require action to improve the efficiency, effectiveness or economy of operations or which otherwise require to be brought to the attention of Senior Management</p> <p><i>Issue represents a minor control weakness with minimal but reportable impact on the ability to achieve process objectives</i></p>
1	Trivial / Minor	<p>Very minor observations which will be raised during the course of the audit and may not be included within the final report</p> <p><i>Issue represents a very minor control weakness with negligible impact on the ability to achieve process objectives. The issue will be raised during the course of the audit and may not be included within the final report.</i></p>

PERTH AND KINROSS INTEGRATION JOINT BOARD

Audit & Performance Committee

21 June 2021

INTERNAL AUDIT ANNUAL REPORT 2020/21

Report by the Chief Internal Auditor (Report No. G/21/79)

PURPOSE OF REPORT

This report presents the year-end report and audit opinion of the Chief Internal Auditor for 2020/21, as set out in Section 5.

1. BACKGROUND / MAIN ISSUES

- 1.1 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.
- 1.2 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.
- 1.3 The IJB considered the appointment of Internal Auditors for 2020/21 and beyond in June 2020 ([G/20/67](#) refers). The Chief Internal Auditor for Perth & Kinross Council was appointed as the Chief Internal Auditor for the IJB with the Internal Audit resources being provided jointly by Perth & Kinross Council and the NHS through Fife, Tayside & Forth Valley Internal Audit Services.
- 1.4 The Public Sector Internal Audit standards (PSIAS) require the Chief Internal Auditor to provide an annual opinion which must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The report must incorporate the opinion, a summary of the work that supports this opinion, a statement on conformance with the PSIAS and the results of the quality assurance and improvement programme. This report fulfils this requirement.

- 1.5 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. In accordance with the PSIAS, it helps the council accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.
- 1.6 Perth & Kinross IJB's internal controls include the full range of policies, procedures and practices intended to ensure the proper conduct of its operations and the achievement of its objectives. They include processes and procedures, organisational structures, job descriptions, authorisation limits, management supervision, risk management processes, reports and decisions.
- 1.7 It is the responsibility of management to devise, implement and maintain appropriate controls over the activities for which they are responsible. The role of Internal Audit is to provide an opinion to the IJB as to the effectiveness of the controls that have been put in place by management in order to ensure that the organisation achieves its objectives. Internal Audit is thus a key part of the process by which the IJB ensures the management of the risks that threaten the achievement of its objectives.
- 1.8 Internal Audit's work is planned in such a way as to take account of these risks. Prioritising work towards the areas of highest assessed risk enables the Council to identify and remedy the most material weaknesses in its framework of internal controls.
- 1.9 In line with the PSIAS, Internal Audit undertakes a process of planning resulting in an annual plan. For 2020/21, the report containing Internal Audit's planned workload was considered and approved in September 2020 (report [G/20/83](#)). All the IJB's activities are reviewed as part of the planning process along with reports arising from external scrutiny, including those relating to the Joint Inspection and the Partnerships response to the Ministerial Steering Group's report. The plan for 2020/21 aimed to cover the most significant areas of risk within the resources available whilst ensuring that there was a balance of coverage for all Service areas.
- 1.10 This report summarises the audit work carried out in 2020/21 and presents the Chief Internal Auditor's opinion on the effectiveness of the Council's internal control environment for that year.

2. INTERNAL AUDIT'S WORK IN 2020/21

- 2.1 This section presents an overview of Internal Audit's work during 2020/21 in its role as independent reviewer of the IJB's systems of internal control, risk management and governance. The Internal Audit Plan approved in September 2020 included 3 planned internal audit assignments along with ongoing consultancy work and the completion of assignments from previous years.

- 2.2 All planned assignments have commenced, with final reports having been issued for 2 of the planned assignments from the 2020/21 Plan. In addition, reports arising from the concluded work for previous years' assignment have been taken into account when arriving at the Internal Audit Opinion.
- 2.3 Due to the IJB's response to the COVID-19 pandemic, Internal Audit assignments were paused. The Partnership has put in place arrangements for directing its efforts to providing essential services in connection with COVID 19, whilst being consistent with Scottish Government advice and guidance. The governance arrangements put in place for the period covered by this report were proportionate in its response to the pandemic.
- 2.4 The results detailed in this report relate to all audit reports issued between March 2020 and May 2021 relating to Internal Audit's work during that period, both planned and unplanned.
- 2.5 The Audit & Performance Committee will have considered four Internal Audit reports commissioned for the HSCP and approved the use of common definitions on internal audit engagements. These will be in use for all audit reports going forward.
- 2.6 From the reports published within the year, broadly satisfactory controls were in place for Performance Management, with further improvements being implemented throughout the year; moderate controls are in place for the management of financial risks, with an action plan in place to be completed in 2021/22; substantial assurance is provided over the management of improvement actions; and reasonable assurance can be placed on arrangements for implementation of provider sustainability payments, which will also be considered by Perth & Kinross Council's Audit Committee.

Follow Up of Action Plans

- 2.7 The responsibility for considering (and accepting or rejecting) Internal Audit's findings rests with management. Final audit reports record the agreed plan of action, including the individual(s) responsible; and the planned timescales for completion. The audit process is of little value unless action is taken to remedy deficiencies in internal control where these are identified.
- 2.8 The Head of Finance and Corporate Services provides the Audit & Performance Committee with a regular update on progress with agreed Internal Audit Actions.
- 2.9 Further action is underway to address the issues raised within the Clinical & Care Governance report.
- 2.10 In the Chief Internal Auditor's opinion, the procedures in place provide a sound basis for ensuring that progress against the agreed plans is exposed to the proper level of scrutiny.

3 THE AUDIT & PERFORMANCE COMMITTEE

- 3.1 The Audit & Performance Committee operates within an approved 'Role and Remit' and, as a formally constituted Committee of the IJB. The Committee conducts its meetings in public, with its meetings routinely recorded and available to view via a link from the Committee's webpage, thus ensuring a high degree of accountability for its activities.

4 COMPLIANCE WITH AUDITING STANDARDS

- 4.1 The Public Sector Internal Audit Standards (PSIAS) have been adopted by Perth & Kinross Council as the relevant professional standards. These standards are applied to Internal Audit's work in relation to the IJB.
- 4.2 Internal Audit services are required to be externally validated against these standards every 5 years. Perth & Kinross Council's Internal Audit function was assessed in 2018/19 as being fully compliant with these standards. The Chief Internal Auditor's annual self-assessment of conformance also supports this opinion.

Code of Ethics

- 4.3 Internal Auditors must conform to the Code of Ethics included within the Standards. This Code incorporates the principles and rules of conduct for Internal Auditors' integrity, objectivity, confidentiality and competency.

5 AUDIT OPINION

- 5.1 **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 2020/2021, subject to management implementation of the agreed actions detailed in Internal Audit reports.**

6. CONCLUSION AND RECOMMENDATION

- 6.1 It is recommended that the Committee notes the content of this report and specifically the Audit Opinion at Section 5.

Author(s)

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If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting *Jackie Clark*



Council Text Phone Number 01738 442573



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21 JUNE 2021

APPOINTMENT OF INTERNAL AUDITORS 2021-22

Report by Head of Finance & Corporate Services (G/20/80)

PURPOSE OF REPORT

This report considers the proposed Internal Audit Arrangements for the Integration Joint Board for 2021/22.

1. BACKGROUND

The Scottish Government issued Finance Guidance for Integration Joint Boards (IJB) via the “Integrated Resources Advisory Group” (IRAG). That guidance states:-

“It is the responsibility of the Integration Joint Board to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. This will include determining who will provide the internal audit service for the Integration Joint Board and nominating a Chief Internal Auditor.”

The IJB is also required to comply with the article 7 of the Local Authority Accounts (Scotland) regulations 2014 which state:-

“A local authority must operate a professional and objective auditing service in accordance with recognised standards and practices in relation to internal auditing.”

For the last 2 years the IJB approved Jackie Clark as the Chief Internal Auditor with internal audit services to be provided by Perth & Kinross Council Internal Audit Services and Fife, Tayside and Forth Valley Internal Audit Services (FTF). The appointments in both of these years have each been for a period of 1 year. The processes and procedures followed during these terms have been agreed by a working group of the Chief Internal Auditors of all Local Authority in the Tayside region as well as the NHS Tayside.

2. KEY ISSUES

The continued impact of the COVID-19 global pandemic has restricted the planned progress of the IJB's internal audit plan. It is therefore not considered an appropriate time to review the arrangement. As the pandemic eases with services remobilising and internal audit returning to full capacity the appointment of the IJB's Chief Internal Auditor for 2022/23 would be the most appropriate time for a review of the services provided. It is therefore proposed that Jackie Clark be appointed as Chief Internal Auditor for a further year for Perth and Kinross IJB with both Perth and Kinross Council Internal Audit services and FTF continuing to provide resources under the terms of the joint working arrangements already in place. Performance Indicators will be agreed with the Chief Internal Auditor to support the Audit & Performance Committee in overseeing the service level provision.

The approval of the Integration Joint Board is now sought to appoint Jackie Clark as Chief Internal Auditor with Perth & Kinross Council Internal Audit Service and FTF being appointed as the IJB's Internal Auditors for 2021/22 for a period of 1 year.

3. RECOMMENDATION

The Audit and Performance Committee is asked to recommend to the Integration Joint Board that they:-

- Approve the appointment of Jackie Clark as Chief Internal Auditor; and
- Approve Perth and Kinross Council Internal Audit Services and FTF as the IJB's Internal Auditors for 2021/22 for a period of 1 year.

Author(s)

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AUDIT & PERFORMANCE COMMITTEE

21 June 2020

INTERNAL AUDIT STRATEGY & PLAN 2021/22

Report by Chief Internal Auditor (Report No. G/21/81)

PURPOSE OF REPORT

The purpose of this report is to seek approval of the Annual Internal Audit Plan for Perth & Kinross Integration Joint Board for 2021/22.

1. BACKGROUND

Internal Audit, as defined in the Public Sector Internal Audit Standards (PSIAS), is an independent, objective assurance and consulting activity designed to add value and improve the effectiveness of an organisation's operations. It helps the Integration Joint Board (IJB) to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of risk management, control and governance processes.

The PSIAS require the Chief Internal Auditor to prepare a risk based Internal Audit Plan (the Plan) setting out the team's annual work programme. The Plan should take account of the IJB's objectives, risk and performance management arrangements.

As stated in the Scottish Government's Integrated Resources Advisory Group (IRAG) guidance, it is the responsibility of the IJB to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. Perth & Kinross Council's Chief Internal Auditor was appointed as Chief Internal Auditor for the IJB in July 2020.

Resources to deliver the plan will be provided by the Perth & Kinross Council and NHS Tayside Internal Audit services. A total of 40 days have been included in the 2020/21 Internal Audit Plans of the statutory partners.

2. APPROACH

The strategy for Internal Audit is to deliver a risk based Internal Audit service by designing planned activity around the key risks to the IJB achieving its objectives. Internal Audit also aims to add value to the organisation by ensuring that there is appropriate and enabling risk management, governance and controls in place.

In order to ensure compliance with the PSIAS requirement of undertaking an annual risk assessment, a review of the arrangements which have been put in place for the identification and assessment of risks has been undertaken. In addition, evidence provided to support the Annual Governance Statement, submissions to the Ministerial Steering Group and the response to the outcomes from the external inspection have been taken into consideration.

A mapping exercise was undertaken comparing Internal Audit activity for the IJB with the most recently considered Risk Register. This highlighted areas for consideration for inclusion within the Plan and discussions subsequently took place with the Chief Officer and Head of Finance and Corporate Support in arriving at an achievable Plan.

The Plan also takes account of the assurances which can be provided to the IJB based on work performed under the Internal Audit plans of both Perth & Kinross Council and NHS Tayside, once approved.

3. PLANNED INTERNAL AUDIT ACTIVITY

The Audit Plan is designed to provide the Chief Internal Auditor with sufficient evidence to form an opinion on the adequacy and effectiveness of internal controls. The Plan for 2021/22 has been designed to target the priority issues and risks identified during the course of the review outlined in section 2 above.

In addition to the specific assignments, resources will be allocated to undertake the planning and management of the Internal Audit service, along with supporting the work of the Audit & Performance Committee of the IJB. This will include the provision of the Annual Report, as required by PSIAS, and ensuring the adequacy of the implementation of agreed audit actions.

One assignment from the 2020/21 Internal Audit Plan is in progress, PKIJB 21-02 Corporate Support. This review will be completed within 2021/22. In addition to this, the following specific assignments have been highlighted for review during the year:

Reference	Title	Indicative Scope
PKIJB 21-01	Leadership Capacity	To provide assurance of the capacity within the leadership team for the delivery of strategic objectives.
PKIJB 21-02	Primary Care Improvement Plan	To provide assurance to the IJB over the arrangements in place for the implementation of the Primary Care Improvement Plan

Work to deliver the Plan will be undertaken through a Joint Working Protocol agreed by the Chief Internal Auditors of both statutory partners.

4. RECOMMENDATION

The Audit & Performance Committee is asked to approve the Internal Audit Strategy and Plan for 2021/22.

5. CONSULTATION

The Chief Officer and Chief Finance Officer have been consulted on the content of this paper.

Author(s)

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APPENDICES

1. Internal Audit Plan

2020/21								
	Audit	Indicative Scope	Target Audit Committee	Planning commenced	Work in progress	Draft Issued	Completed	Grade
N/A	Audit Planning	Agreeing audit universe and preparation of strategic plan	Sept 2020	✓	✓	✓	✓	N/A
N/A	Audit Management	Liaison with managers and Directors and attendance at Audit & Performance Committee	Ongoing	Ongoing				N/A
	Annual Internal Audit Report	CIA's annual assurance statement to the IJB and review of governance self-assessment	June 2022					
PKIJB 20-01	Leadership Capacity	To provide assurance of the capacity within the leadership team for the delivery of strategic objectives.	Feb 2022					
PKIJB 20-02	Primary Care Improvement Plan	To provide assurance to the IJB over the arrangements in place for the implementation of the Primary Care Improvement Plan	April 2022					

Previous Years' Plans								
	Audit	Indicative Scope	Target Audit Committee	Planning commenced	Work in progress	Draft Issued	Completed	Grade
2019/20								
PKIJB 19-01	Financial Risks	To provide assurance over the consideration of the financial risks for the Partnership, including engagement with statutory partners	Feb 20	✓	✓	✓		
PKIJB19-02	Performance Management	To review arrangements for the adequacy and effectiveness of the measurement and reporting of performance.	Feb 20	✓	✓	✓	✓	B
PKIJB19-03	Improvement Actions	To review the arrangements in place for the consolidation of improvement actions; the efficiency and effectiveness of their completion and the ensuing reporting arrangements	Feb 20	✓	✓	✓	✓	N/A
PKIJB 20-01	Improvement Actions	To review the efficiency and effectiveness of their completion of agreed improvement actions and the ensuing reporting arrangements	June 2021	✓	✓	✓	✓	
PKIJB 20-02	Corporate Support	To ensure that arrangements are in place for the delivery of appropriate corporate support functions for the Partnership and IJB	April 2021	✓	✓			
PKIJB 20-01	Commissioned Service Providers: Provider Sustainability Payments	To provide assurance over arrangements for the identification and authorisation of sustainability grants	January 2021	✓	✓	✓	✓	



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21 JUNE 2021

ANNUAL GOVERNANCE STATEMENT

Report by Head of Finance & Corporate Services (G/20/82)

PURPOSE OF REPORT

The purpose of the report is to seek approval of the Annual Governance Statement for the financial year 2020/21 which provides assurance as to the effectiveness of the Integration Joint Board's (IJB) governance framework and in particular the system of internal control.

1. INTRODUCTION

- 1.1 On an annual basis the IJB has to include an Annual Governance Statement (AGS) within its Annual Accounts.
- 1.2 The purpose of the AGS is to give assurance to our stakeholders that we have effective governance arrangements in place to ensure that, as an IJB, we are doing the right things for the right people at the right time in an open, honest and accountable way.
- 1.3 Reliance is also placed on NHS Tayside and Perth & Kinross Council's systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.
- 1.4 The AGS provides an opportunity to review our rules, resources, systems, processes, culture, and values to make sure that our governance framework and in particular our system of internal control is:
 - legally compliant
 - ethically sound; and
 - fit for purpose

thereby enabling the IJB to achieve its strategic objectives and provide high quality services that meet the needs of our communities, in an appropriate, efficient and affordable way. It is important therefore, that governance issues are identified systematically and comprehensively and reported in an open and transparent manner.

- 1.5 The Annual Governance Statement for 2020/21 (Appendix 1), once approved, will form part of the unaudited Annual Accounts.

2. GOVERNANCE ASSURANCE PROCESS

- 2.1 The process for reviewing the integrity and effectiveness of our governance arrangements to inform the AGS has been led by the Chief Financial Officer. Evidence has been gathered by way of self-assessment which has been scrutinised by the Chief Financial Officer and the Executive Management Team.
- 2.2 The self-assessment identified areas of progress such as the development of our Induction Guide for new members, review of the Standing Orders, a self-assessment of our performance against the Integration Scheme which has helped to shape the wider Tayside review, development of a one year workforce plan and we have also managed to secure dedicated Communications support to enhance communication with staff and Stakeholders.

3. GOVERNANCE ISSUES

- 3.1 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.
- 3.2 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.
- 3.3 These will form key elements of the Partnership Improvement Plan as it rolls forward to 2021/22. Updates on progress will be provided to each meeting of the IJB's Audit & Performance Committee alongside the Strategic Risk Register and mitigating actions.

4. RECOMMENDATION

- 4.1 It is recommended that the Committee:

- (i) Approve the 2020/21 Annual Governance Statement for inclusion in the unaudited Annual Accounts

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APPENDICES

1. Annual Governance Statement 2020/21

SECTION 4: ANNUAL GOVERNANCE STATEMENT

INTRODUCTION

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

SCOPE OF RESPONSIBILITY

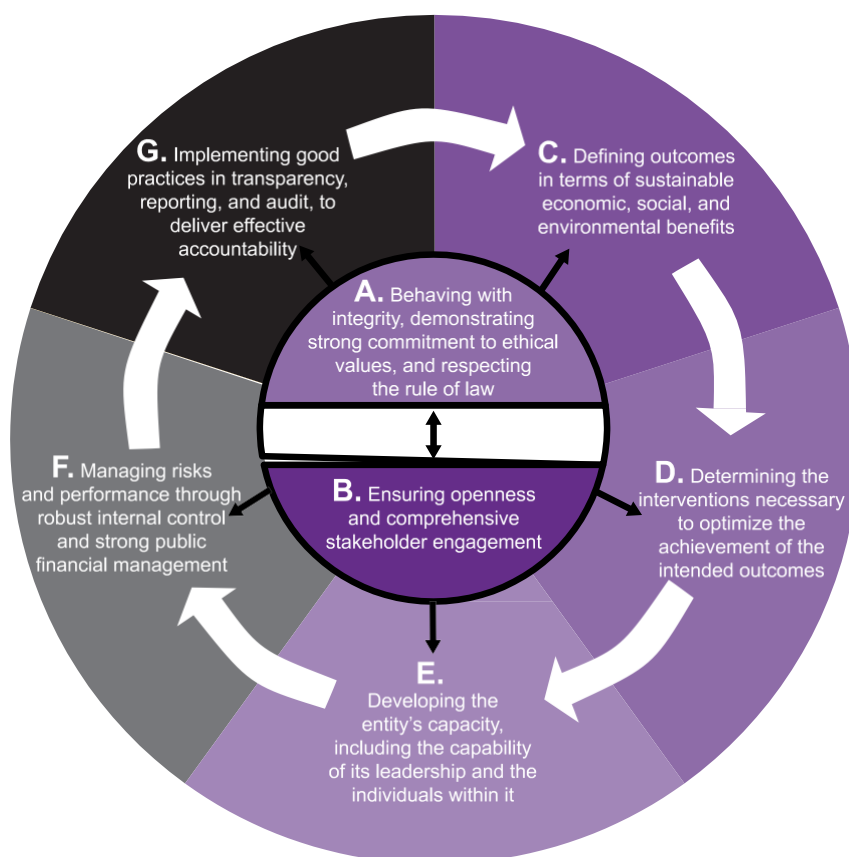
Perth & Kinross IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

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 policies, aims and objectives. Reliance is also placed on the NHS Tayside and Perth & Kinross Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives including those of the IJB. Assurance has been received from both NHS Tayside and Perth and Kinross Council as to the effectiveness and adequacy of those systems. The systems can only provide reasonable and not absolute assurance of effectiveness.

PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values by which the IJB is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the IJB to monitor the achievement of its strategic priorities and to consider whether those priorities have led to the delivery of appropriate, cost-effective services. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Perth & Kinross IJB's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The core principles of good governance are set out in the diagram below:



The IJB supported by the HSCP Team have worked hard to develop an effective governance framework underpinned by these principles and to ensure that it operates effectively in practice. We have been supported by our partner bodies but have also sought to identify best practice systems and processes from elsewhere.

Further we have developed a comprehensive improvement plan that brings together improvements identified in our annual review of governance, the findings of the External Joint Inspection and as part of that the MSG Review of Integration undertaken in collaboration with both Partner bodies.

The key features of the governance framework that was in place during 2020/21 are summarised below along with the improvement activity that has been undertaken during the year to increase. This includes the additional governance arrangements required to respond to the Covid-19 Pandemic.

COVID-19 ARRANGEMENTS

In relation to the pandemic the Partnership reduced its service delivery and prioritised services to allow it to deal with the implications of the coronavirus and support a reduction in the spread of the virus by undertaking social distancing and reducing contact with service users. In terms of the pandemic governance arrangements, the Partnership has reported through the business continuity arrangements of both the Council and the NHS. Governance arrangements have also been established in the Partnership where the status of service delivery is assessed regularly during the week at Gold Command Meetings. At this meeting it is agreed what needs to be escalated and what can be agreed using the delegated authority of either the Chief Officer or Chief Finance Officer. These arrangements have continued throughout the financial

year, however, were particularly important during the first wave where decisions were required to be made quickly. The IJB has been operating throughout the pandemic, but with light agendas during the first wave. Since then, the IJB agendas have returned to normal.

The COVID-19 Pandemic response by PKHSCP has resulted in a dramatic and unprecedented level of change in how day-to-day services are delivered. The financial and service implications have been captured through the development and regular submission of PKHSCP's Mobilisation Plan to Scottish Government. Oversight of the Mobilisation Plan has been through the PKHSCP Command Structure and directly by the Chief Officer, as delegated by the IJB. The IJB have received regular updates and the 2021/22 Remobilisation Plan will be considered by the IJB in June 2021.

A COVID-19 Risk Register has been integrated with the IJB's Strategic Risk register ensuring a consolidated understanding of key risks including the ongoing challenges of pandemic response.

As part of our strategic planning framework we are identifying which changes should now be embedded in service models and practice moving forward, seizing the good practice and innovation that has emerged and supporting accelerated delivery of strategic plan objectives.

Improvement activity during the year: a review of the effectiveness of the PKHSCP Covid-19 command structure has been undertaken.

LEADERSHIP, CULTURE AND VALUES

A code of conduct for members and employees is in place along with a register of interest. A standards officer has been appointed and standing orders are in place. The 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. This would normally include visits to our health and social care services in the community, in hospitals and in the prison. It also includes the provision of induction sessions/refreshes at regular intervals. This has been particularly important in the face of ongoing changes to membership.

The Chair and Chief Officer meet regularly, and the Chief Financial Officer and Chair of the Audit and Performance Committee meet on a monthly basis. The Strategic Commissioning Plan has provided a clear sense of shared direction and purpose across the IJB membership and PKHSCP Team and the refresh which has been completed fully aligns our collective and collaborative activity.

The IJB Chair is supported effectively to carry out his role with independent legal and governance support and effective committee services. The Chief Officer is a Director in the partner organisations, a member of the Executive Teams, attends the Board and Council and is directly accountable to both Chief Executives, who provide regular one-to-ones. As well as the support from both partner bodies' Executive Group, the Chief Officer benefits from the support of the Council's Chief Social Work Officer, who is a member of the IJB and the Clinical and Professional Governance Forum. Health Care Professionals who are members of the board also provide a level of support to the IJB, helping to align oversight and assurance.

Improvement Activity undertaken during the year: The Executive Management Team carried out a self-evaluation of performance against the Integration Scheme which supported the shape of the Tayside wide review. Regular reports have been provided to the IJB on progress of the review. An Induction Guide for new members has been developed and a review of the Standing Orders has been undertaken.
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STAKEHOLDER ENGAGEMENT

The IJB Meetings are public meetings and membership includes wide stakeholder representation including carers, service users and the Third Sector. A Communication Strategy and Participation and Engagement Strategy have been agreed by the IJB at inception and both are now being refreshed to learn from our experience thus far.

The refreshed Strategic Commissioning Plan 2020 – 2025 was published following engagement with local people. The membership of the Strategic Planning Group has been refreshed to ensure wide stakeholder involvement.

The Communication, Participation and Engagement group terms of reference and remit and membership are under review and will provide a forum for coordinating all future engagement activity within the Partnership. We have appointed a dedicated Communication Team Leader. A number of forums including the Third Sector Interface, the Third Sector Forum, Local Involvement Network, the Area Drugs Partnership and our Adult Provider Forum ensure a strong contribution to joint strategic planning and commissioning. Over the Covid 19 pandemic enhanced engagement has taken a variety of forms.

The HSCP fund an Independent Sector Lead role that supports the Integration of Health and Social Care in Perth and Kinross.

The HSCP Community Engagement Team play a key role in delivering community engagement and participation across the Partnership, with each of our three localities having a Participation and Engagement Plan that is overseen by the Locality Management Group. We maintain close links with the Community Planning Partnership and Local Action Partnerships. The Partnership 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 regularly with all elected members of Perth & Kinross Council around the challenges and opportunities and Financial Plan.

Improvement activity undertaken during the year: Additional dedicated communications resource was recruited by PKHSCP to enhance communication with staff and stakeholders; a review of IJB membership has also been undertaken to ensure that there is appropriate level of stakeholder representation; the role, remit and terms of reference for the Strategic Planning Group have been refreshed; strong engagement and collaborative relationships with Third and Independent Sector to support Care Homes and wider sustainable service provision in response to the pandemic.

VISION, DIRECTION AND PURPOSE

The refreshed Strategic Commissioning Plan 2020-2025 provides a clear vision and the Performance Strategy approved by the IJB set out the commitment to ensure we have the framework in place to measure our success. The Chief Officer is leading a review of the current structures and systems for strategic planning and commissioning and ensure connections into localities, clear leadership arrangements and supporting capacity.

Improvement activity undertaken during the year: We have developed our Remobilisation Plan 2021/22 in response to the pandemic which has clear links to the Strategic Commissioning

Plan and have established a systematic approach to monitoring the implementation of the plan with clear reporting arrangements to the management team, IJB and Scottish Government. Over the last year our Performance Framework has been embedded with regular reporting to the Audit and Performance Committee. Performance reporting at locality level has been rolled out. We have worked with the IJB to ensure a robust understanding of the recommendations of the Independent Review of Adult Social and its potential implications.

DECISION MAKING

All reports to the IJB are in an agreed format that supports effective decision-making. The IJB Annual Work plan ensures regular opportunity for review and scrutiny of progress in delivering strategic priorities. The Executive Management Team meets regularly to ensure robust review and scrutiny of progress in delivering our transformation and service redesign priorities at locality level and for escalation of operational risk that will impact on strategic delivery.

The development of integrated financial planning ensures a consistent approach across health and social care services. The IJB Budget Review Group along with development sessions throughout the year have provided IJB members with the forum for ensuring detailed understanding of the pressures and opportunities and has ensured that our members are informed to make the difficult decisions that are inevitable in the current financial climate.

Improvement activity undertaken during the year: Programme and Project Management resources have been increased and been closely prioritised to Older People and Mental Health in particular in support of Service Managers.

ORGANISATIONAL DEVELOPMENT

The IJB Members are supported by a programme of training and development throughout the year. PKHSCP has a formal leadership structure that has been endorsed by the IJB however the Chief Officer is considering the future organisational structure to achieve greater integration and improved effectiveness. PKHSCP relies heavily on the Corporate Support arrangements in place with NHS Tayside and Perth & Kinross Council across a range of key areas including HR, Finance, Strategic Planning and Organisational Development. As part of the wider review of organisational structure, the Chief Officer will look to address key gaps which will ensure sufficient capacity, in particular around planning and performance, workforce and organisational development, communications and premises development.

Improvement activity undertaken during the year: A one-year Workforce Plan has been developed.

SCRUTINY AND ACCOUNTABILITY

Accountability is about ensuring that those making decisions are answerable for them. We have learned from best practice elsewhere to ensure transparent reporting of our actions, but also to ensure that in this complex landscape our stakeholders can understand our intentions. We have particularly tried to ensure reports to the IJB are clear and concise with the audience in mind.

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.

We report at regular intervals on financial performance and we are required to publish externally audited Annual Accounts each year. We are drafting our fourth Annual Performance Report which will account for our activity, report on our success and outline further areas for improvement and development.

We have provided regular reports to the IJB Audit and Performance Committee on our progress in implementing all external and internal audit recommendations and we have included a transparent assessment of how we are delivering against our Best Value responsibilities within the Annual Performance Report.

Improvement activity undertaken during the year: Performance reporting has been embedded over the last year with quarterly reports being presented to the Audit & Performance Committee. Locality Reports have been provided to the Audit & Performance Committee; both the IJB and the Audit & Performance Committee now have Annual Work Plans.

INTERNAL CONTROL FRAMEWORK

The governance framework above 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.

The IJB uses the systems in NHS Tayside and Perth & Kinross Council to manage its financial records. Development and maintenance of these systems is undertaken by both partner bodies as part of the operational delivery of the Health & Social Care Partnership. In particular, the systems include:

- comprehensive budgeting systems
- setting of targets to measure financial performance
- regular reviews of periodic and annual financial reports that indicate financial performance against the forecasts.

The Chief Financial Officer has implemented a three-year budgeting process which facilitates the prioritisation of resources in the face of competing demands in line with Strategic Priorities. However, for 2020/21, the IJB agreed to the setting of a one-year budget recognising the extreme level of planning uncertainty and the impact of Covid-19 response and remobilisation on the capacity of officers. Work is already underway however to develop the 3-year Financial Plan 2022/23: 2024/25.

During 2020/21 the Audit and Performance Committee has overseen the ongoing development of the strategic risk register.

The annual work plan for the IJB sets out clear timescales for reporting on key aspects of strategy implementation and transformation.

Regular review of service quality against recognised professional clinical and care standards is provided by the PKHS CP Clinical Governance Forum which provides assurance to NHS Tayside Clinical Care Governance Committee and to the IJB.

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

We have agreed with Perth & Kinross Council to the appointment of their Data Protection Officer to the IJB to ensure our GDPR requirements are met. In parallel we have ensured effective arrangements are in place with Perth & Kinross Council and NHS Tayside for the sharing of data.

We continue to work with our NHS Tayside colleagues to set up an effective forum for

ensuring that the planning of services that fall within our large hospital set-aside budget is undertaken in a way that enables the IJB's intentions to shift the balance of care to be effectively progressed. This has been delayed over the Pandemic.

We are working hard with the other IJBs in Tayside to ensure strong and effective arrangements are in place to support the strategic planning and delivery of hosted services. These arrangements need to carefully consider the responsibilities of the hosting partnership alongside the wider obligation of each IJB to the strategic planning of all services to their population.

The 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

Perth and Kinross 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 2020/21 was considered at its Audit & Risk Committee on 20th May 2021. No material weaknesses were found. Perth & Kinross Council has approved a Governance Statement which also concludes positively on the adequacy and effectiveness of internal controls, 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 2020/21, subject to management implementation of the agreed actions detailed in Internal Audit reports.

Improvement activity undertaken during the year: The Strategic Risk Register has been fully refreshed including implications of Covid-19. A supporting Risk Improvement Plan has been developed. The Tayside Risk Management Strategy has been fully refreshed and approved by the IJB.

ONGOING REVIEW AND FURTHER DEVELOPMENTS

To support the annual review of governance, we have undertaken a full self-assessment using the Governance Self-Assessment Tool provided by Internal Audit. The annual self-assessment has been supported by a full progress update of our Partnership Improvement Plan. The areas of progress through our ongoing improvement activity have been highlighted above.

Those areas identified which still require further development are highlighted in the refreshed Partnership Improvement Plan which includes new areas identified by local self-assessment and any other external audit recommendations received during 2020/21. Progress updates on the Partnership Improvement Plan have been provided during the year to the IJB's Audit and Performance Committee.

REVIEW OF ADEQUACY AND EFFECTIVENESS

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 including the Audit Scotland Report on the Review of Health and Social Care Integration
- self-assessment against the FTF Internal Audit Service's Governance Self-Assessment Tool 2020/21;
- self-assessment against the Ministerial Strategic Group recommendations
- the draft Annual Governance Statements for Perth & Kinross Council and NHS Tayside.

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 2020/21, 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 2020/21 received by the Audit and Performance Committee on 21 June 2021 highlights findings which indicate some weaknesses in the internal control environment. None of these are considered material enough to have a significant impact on the overall control environment and it is the opinion of the Chief Internal Auditor that the systems of internal control relied upon by the IJB provide reasonable assurance against loss.

ACTION PLAN FOR 2021/22

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

LEADERSHIP, CULTURE & VALUES

- Develop a Leadership Development Programme focused on collaborative practice;

STAKEHOLDER ENGAGEMENT

- Review the role of the Participation and Engagement Group;
- Ensure resources are in place through organisational restructuring to support a strong focus on Communities, ensuring a co-ordinated and consistent approach to consultation, engagement and participation in the design and delivery of public services;

VISION, DIRECTION & PURPOSE

- Develop 3-Year Strategic Delivery Plans across 5 key priority work streams with

supporting investment and disinvestment plans;

- Develop a framework for evaluating the impact of Strategic Plans including Patient/User/Stakeholder feedback;
- Develop a Strategic Needs Assessment Framework to support long term strategic planning to ensure that the approach across the partnership is consistent and systematic.
- Ensure resources are in place to ensure we can better contribute to the Community Planning Partnership;

DECISION MAKING

- Develop a 3 Year Workforce and Organisational Development Plan;

SCRUTINY & ACCOUNTABILITY

- Further enhancement of performance and reporting of Tayside wide Hosted Services;

INTERNAL CONTROLS

- Further embed process to ensure the routine issue of Directions;

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

- Revision of the PKIJB Integration Scheme including:-
 - Financial Risk Sharing Arrangements;
 - Inpatient Mental Health Governance and Accountability;
 - Corporate Support Arrangements and Responsibilities;
 - Care Governance Arrangements and Accountability;
 - Large Hospital Set Aside planning responsibilities;
 - Governance and accountability streamlining;
- Progress the review and implementation of the revised PKHSCP integrated organisational structure;
- Improve the effectiveness of links between Partner bodies in relation to Strategic Planning;
- To support Financial Sustainability, establish a timetable of Joint Engagement meetings with key stakeholders in NHS Tayside and Perth & Kinross Council.

The above areas will form the key elements of the Partnership Improvement Plan as it rolls forward to 2021/22.

CONCLUSION AND OPINION ON ASSURANCE

Whilst recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

We consider that internal control environment operating during 2020/21 to provide 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 Eric Drysdale

IJB Chair

Gordon Paterson

Chief Officer



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21 JUNE 2021

UNAUDITED ANNUAL ACCOUNTS 2020/21

Report by Head of Finance and Corporate Services (G/20/83)

PURPOSE OF REPORT

This report presents the Integration Joint Board's (IJB) Unaudited Annual Accounts for the financial year 2020/21 in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

1. BACKGROUND

- 1.1 The Unaudited Annual Accounts for 2020/21 are due to be submitted to the Controller of Audit by 30 June 2021.
- 1.2 The Annual Accounts are prepared in accordance with the 2020 CIPFA Code of Practice on Local Authority Accounting ("the Code").
- 1.3 These accounts also comply with the Local Authority Accounts (Scotland) Regulations 2014 which came into force in October 2014.

2. ANNUAL ACCOUNTS

- 2.1 The regulations require an annual review of the effectiveness of the IJB's system of internal control. This requirement will be met by the approval of the Annual Governance Statement by the Audit & Performance Committee of the IJB prior to inclusion in the unaudited Annual Accounts.
- 2.2 The Annual Accounts include a Management Commentary. The purpose of which is to provide users of the financial statements with integrated information on management's view of performance, position and progress (including forward looking information). This is set out from page 3 of the Accounts.

- 2.3 The regulations require the IJB or an appropriate Committee of the IJB to consider the unaudited accounts at a meeting to be held no later than 31 August 2021. Best practice is for the IJB or an appropriate Committee to have formally considered the Unaudited Annual Accounts prior to submitting them to the appointed auditor and making them available for public inspection.
- 2.4 Subsequent to the unaudited accounts being finalised, Audit Scotland queried the accounting treatment of National Services Scotland (NSS) procured PPE that was utilised by Social Care. IJBs are awaiting advice on how this expenditure is to be reflected within IJB accounts. Once known, the Annual Accounts will be updated through the audit adjustment process.
- 2.5 Following consideration of the Unaudited Annual Accounts, the Audit & Performance Committee is asked to authorise the Head of Finance and Corporate Services to sign the Accounts, submit for external audit and make them available for public inspection.

3. NEXT STEPS

- 3.1 Assuming approval by the Audit and Performance Committee on behalf of the IJB at its meeting on the 21 June 2021, the audit of the Annual Accounts will take place during July and August 2021. Audit Scotland (working with Council officers) will consider whether the Annual Accounts:
- Give a true and fair view, in accordance with applicable law and the 2020 Code, of the state of the affairs of the IJB at 31 March 2021 and of the income and expenditure of the IJB for the year then ended;
 - Have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020 Code; and
 - Have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.
- 3.2 It is anticipated that the results of the audit will be summarised in the Draft Annual Report which incorporates the ISA260: Report to those Charged with Governance. It is anticipated that this Final Audit Scotland Annual Report will be considered by the Audit and Performance Committee on 13 September 2021.
- 3.3 The Unaudited Annual Accounts are also available for public inspection between 1 July and 21 July 2021 (inclusive) with any objections being sent to the auditor.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1 The Unaudited Annual Accounts will be submitted to the Controller of Audit by 30 June 2021 subject to approval by this Committee and authorisation by the the Head of Finance and Corporate Services.

- 4.2 It is recommended that the Audit & Performance Committee authorises the Head of Finance and Corporate Services to sign the Unaudited Annual Accounts on behalf of the IJB.

Author(s)

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APPENDIX

1. Unaudited Annual Accounts 2020/21



Perth and Kinross Integration Joint Board

Annual Accounts

2020/21

Un-Audited

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SECTION 1: MANAGEMENT COMMENTARY

INTRODUCTION

Welcome to Perth & Kinross Integration Joint Boards (IJB) Annual Accounts for 2020/21. This publication contains the financial statements for Perth and Kinross Integration Joint Board (IJB) for the year ended 31 March 2021.

The Management Commentary outlines key messages in relation to the strategy, objectives and the financial performance of the IJB for the year ended 31 March 2021. It also provides an indication of the issues and risks which may impact upon the finances of the IJB in the future and the challenges it faces in meeting the needs of the people of Perth and Kinross.

The Annual Accounts are prepared in accordance with the relevant legislation, regulations and the proper accounting practices which primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) supported by International Financial Reporting Standards (IFRS) and statutory guidance under Section 12 of the Local Government in Scotland Act 2003.

The Management Commentary is intended to provide an effective overview to a complex document allowing the reader to determine the IJB's overall performance for the year. The Management Commentary is structured as follows:-

- Role and Remit
- Strategic Objectives
- Review of Activities and Impact of Covid 19 Pandemic
- Performance Overview
- Financial Overview
- Strategic Risks and Outlook for future years

ROLE AND REMIT

The IJB is a legal entity responsible for the strategic planning and commissioning of a wide range of services across Perth and Kinross. This includes social care, primary and community healthcare and unscheduled care for adults. In addition, the IJB plans and commissions specific health care services across Tayside by means of hosted services arrangements agreed in the Integration Scheme between NHS Tayside and Perth & Kinross Council. Perth & Kinross Council and NHS Tayside (Health Board), as the parties to the Integration Scheme, each nominate four voting members to sit on the IJB. The Council nominates Elected Members and the Health Board Non-Executive Directors.

The policy ambition is to improve the quality and consistency of services to patients, carers, service users and their families; to provide seamless, joined-up, quality health and social care services in order to care for people in their own homes or a homely setting where it is safe to do so; and to ensure resources are used effectively and efficiently to deliver services that meet the increasing number of people with longer-term and often complex needs, many of whom are older. The IJB has governing oversight whilst Perth & Kinross Health & Social Care Partnership (PKHSCP) has responsibility for the operational delivery of these services.

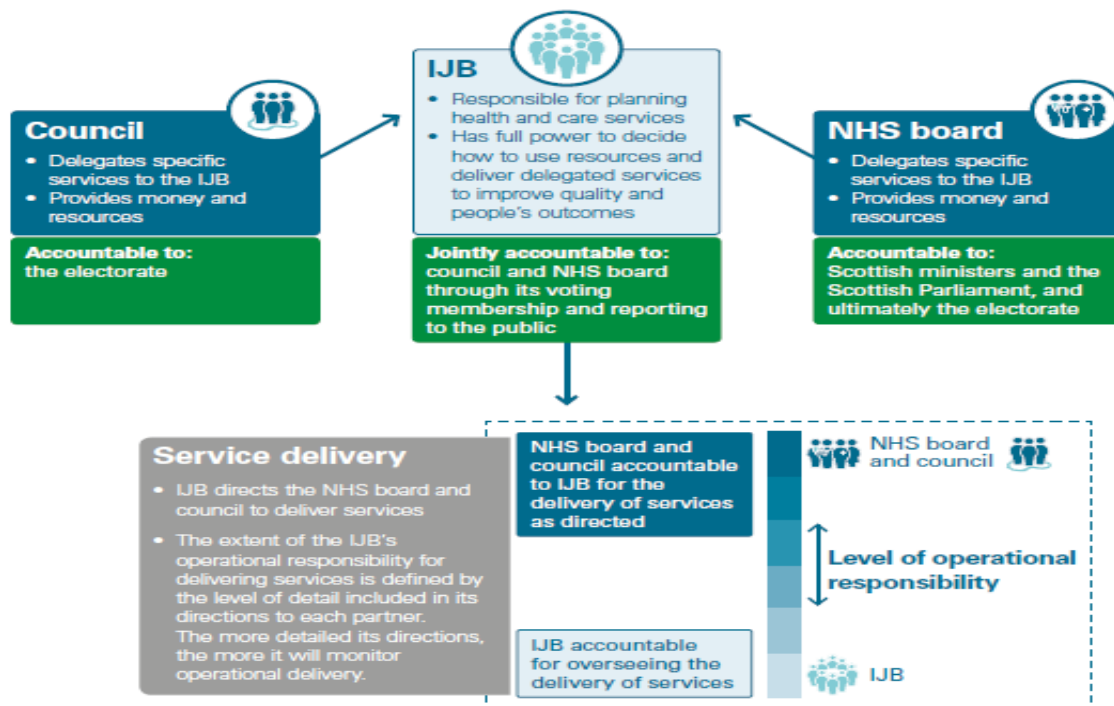
The IJB sets the direction of PKHSCP via the preparation and implementation of the Strategic Commissioning Plan and seeks assurance on the management and delivery of integrated services through appropriate scrutiny and performance monitoring, whilst ensuring the effective use of resources.

Exhibit 1 below sets out the governance arrangements that support delivery of PKIJB's strategic priorities. The IJB's strategic ambitions sit alongside operational imperatives across a wide range of services.

Exhibit 1

Integration Joint Boards

There are 30 Integration Joint Boards across Scotland.



Source: Audit Scotland

The services delegated by NHS Tayside and Perth & Kinross Council to Perth & Kinross IJB for strategic planning and commissioning are set out in Table 1 below.

Delegated Partnership Services			Services Hosted by Perth and Kinross HSCP
Community Care	Health	Hospital	
<ul style="list-style-type: none"> Services for adults with a physical disability Services for older people Services for adults with a learning disability (including Autism Services) Mental health services Drug and alcohol services Adult protection and domestic abuse services Carers' support services 	<ul style="list-style-type: none"> District nursing services Substance misuse services Primary medical services General dental services Ophthalmic services Community geriatric medicine Primary medical services to patients out-of-hours Community palliative care services Community learning disability services Community mental 	<ul style="list-style-type: none"> Accident and Emergency services provided in a hospital Inpatient hospital services: General medicine; Geriatric medicine; Rehabilitation medicine; Respiratory medicine; Psychiatry of Learning Disability. Palliative care services provided in a hospital Inpatient hospital 	<ul style="list-style-type: none"> Learning disability inpatient services* Substance misuse inpatient services* Public Dental Services/Community Dental Services General Adult Psychiatry Inpatient Services* Prison Healthcare Podiatry

<ul style="list-style-type: none"> • Health improvement services • Equipment, adaptations and technology enabled care • Residential and nursing care home placements • Care at home • Reablement services • Respite and day care 	<p>health services</p> <ul style="list-style-type: none"> • Community continence services • Community kidney dialysis services • Public Health promotion • Allied health professionals • Community hospitals 	<p>services provided by GP's</p> <ul style="list-style-type: none"> • Services provided in a hospital in relation to an addiction or dependence on any substance • Mental health hospital services except secure forensic mental health services • Pharmaceutical services 	
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* On the 12th March 2020, the Minister for Mental Health wrote to the Chief Executive of NHS Tayside and advised that 'the operational management of inpatient general adult psychiatry services must now be led by NHS Tayside. This led to the responsibility for these services transferring from the Chief Officer of Perth and Kinross HSCP to an Interim Director for Mental Health in NHS Tayside. It was therefore agreed that the overspend in relation to IPMH Services would transfer from the 3 Tayside IJB's to NHS Tayside with immediate effect. The full planning and commissioning implications for these services are being considered as part of the review of the IJB Integration Schemes across Tayside.

STRATEGIC OBJECTIVES

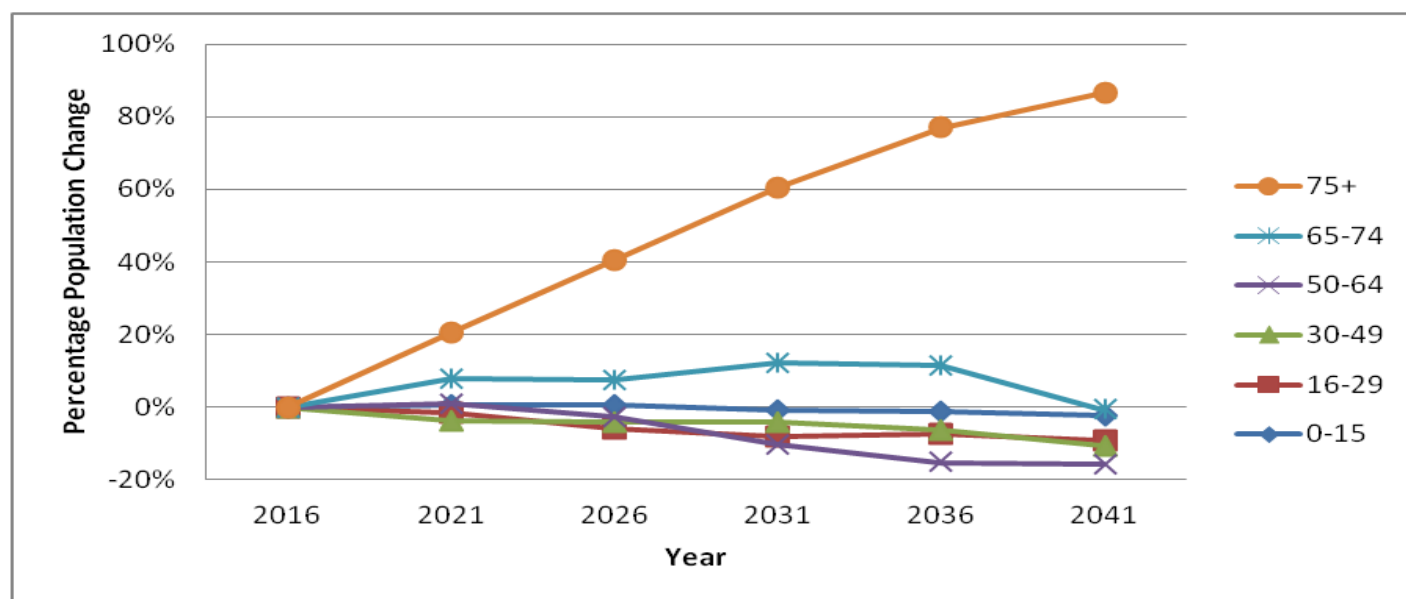
The Strategic Commissioning Plan approved in December 2019 sets out the vision and priorities for PKIJB. The vision as a Health and Social Care Partnership is to work together to support people living in Perth and Kinross to lead healthy and active lives and to live as independently as possible, with choice and control over their care and support. Our aim is to improve the wellbeing and outcomes of people living in Perth and Kinross, to intervene early and to work with the third and independent sectors and communities, to prevent longer-term issues arising.

The services and support we offer people will be developed locally, in partnership with communities, the third and independent sectors. As a partnership we will be integrated from the point of view of individuals, families and communities and responsive to the particular needs of individuals and families in our different localities. We will make the best use of available facilities, people and resources ensuring we maintain quality and safety standards as the highest priority.

The population of Perth and Kinross live and work across its expansive 5,300 square kilometres. Over the coming decades the area is expected to experience significant demographic change, especially in relation to the projected increase in older people, the majority of whom are increasingly fit and active until much later in life and are an important and significant resource, with a great contribution to make in their local communities.

The diagram below show the projected population change for Perth and Kinross by age band. Between 2016 and 2041 the number of those aged over 65 (particularly those aged over 75) is set to increase significantly according to projections.

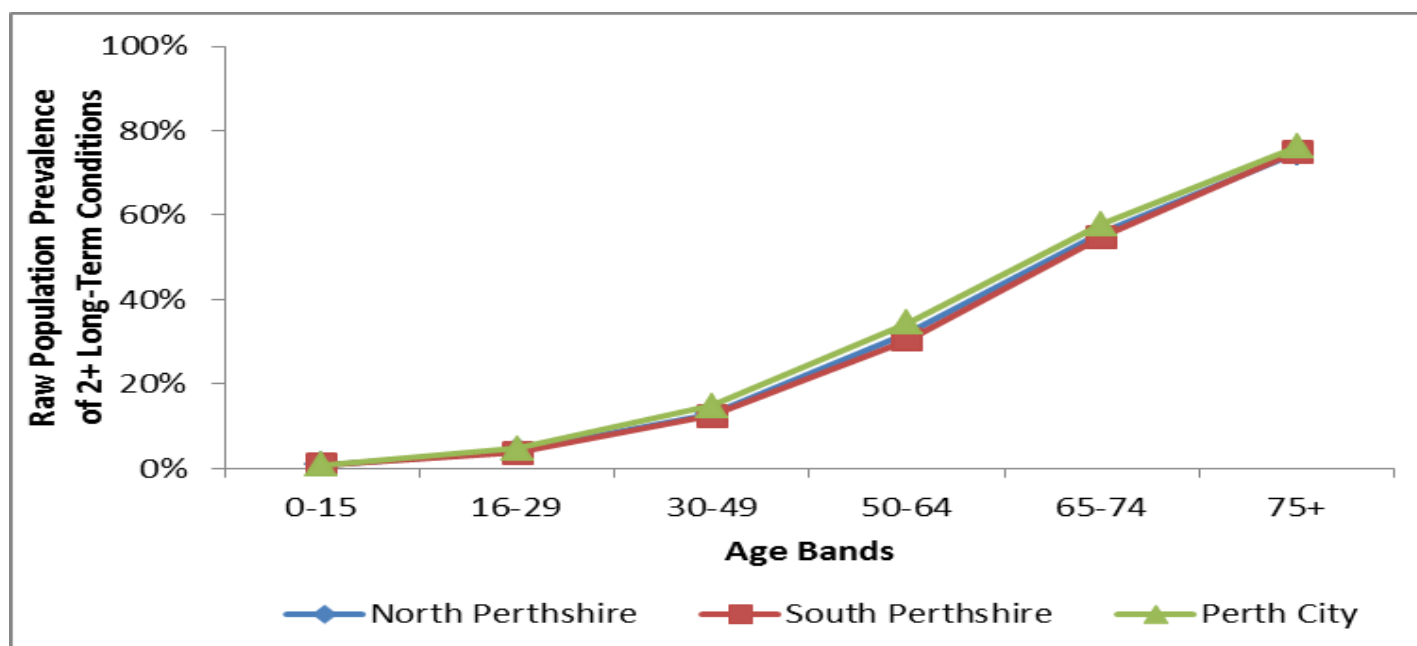
Projected percentage population change for Perth & Kinross (2016-2041)



We know that the need for support from health and social care services increases with age and the challenge for services and communities will be to ensure that people are supported to be able to lead healthy, fulfilling lives at home for as long as possible.

The following diagram presents the population prevalence of people with two or more long-term conditions for North Perthshire, South Perthshire and Perth City. This shows that in each Perth and Kinross locality, multi-morbidities become more common with age. Indeed, over half of residents age 75+ have two or more long-term conditions, compared with just under 4% of people aged 16-29 years.

Crude population prevalence of people with 2+ long-term conditions by age band for each locality



* Source: P&K IJB 2019-2024 Strategic Commissioning Plan

Across Perth and Kinross the proportion of people living with complex need increases as the number of long-term conditions increases.

The scale of increased demand and increasing complex needs means that we cannot provide services in the way we have before - we don't have enough money to do so. With growing demand for support and less money available we want to work with individuals and communities to find ways to better support people in their local areas. A significant programme of change is set out in the Strategic Commissioning Plan with targets to measure success. The 3 Year Financial Plan approved by the IJB for 2020/21 to 2022/23 is fully linked to the Strategic Commissioning Plan objectives.

REVIEW OF ACTIVITIES AND IMPACT OF COVID 19 PANDEMIC

For 2020/21 PKHSCP committed to:

- Progress and deliver a range of commitments and priorities set out in the IJB's Strategic Commissioning Plan Action Plan;
- Undertake a number of strategic commissioning projects to transform service delivery;
- Develop and implement a new organisational structure;
- Continue to focus on delivering the Medium-Term Financial Framework;
- Increase the effectiveness of delivery through implementation of the Partnership Improvement Plan

Many of our Strategic Commissioning Plan and Service Transformation commitments and priorities were paused during our response to the Covid-19 pandemic. We developed Covid Mobilisation and Remobilisation Plans which set out key priorities. Many of our activities have continued to deliver on the core strategic ambitions of PKIJB. Areas where we were able to make significant progress despite, or perhaps because of, the pandemic were digital innovations, shifting the balance of care, preventing admissions, community asset building and development of our complex care services:-

- PKHSCP fully embraced the roll out of Technology Enabled Care including the expanded use of 'Near Me' enabling online video consultations with GPs. This is now available to all services. It continues to be a feature of service delivery and will remain an option going forward allowing us to consider rationalisation and downsizing of the estate we use which will hopefully result in some cost savings.
- We have continued the expansion of other Technology Enabled Care which supports vulnerable people to live as independently as possible in their own homes for as long as possible. The use of this technology reduces the need for the provision of Care at Home and Care Home placements which would otherwise be necessary.
- The Frailty Pathway describes the journey of frail, mainly elderly, clients from home to hospital and back again, perhaps with the use of step up or step-down facilities in between. The Pathway was developed using a multi-disciplinary approach with resource flexing to where it was needed most. The focus was to keep people out of hospital as far as possible or, if they were admitted, to make their stay as short as possible. The embedding of our Locality Integrated Care Service (LiNCs) was key to increasing capacity of the pathway and reducing emergency admissions. Through our Re-Mobilisation Plan we also expanded our District Nursing evening service to assist with the rapid triage, assessment, and support of deteriorating patients and reducing the need for out of our admission to hospital. A critical success factor was the close, collaborative working and improved communication channels which put the person at the centre of decision making and improved their experience of services overall.

- Our Care at Home Resilience Project is working to ensure that we continue to have the capacity and plans in place to deal with surges in demand. We have implemented a range of responses to ensure service delivery is maintained throughout the pandemic and further work is now ongoing to develop new, sustainable models of service delivery. This new approach will work in a community focussed manner, learning from best practice elsewhere, to provide greater choice and improved access to services. This will be advanced, subject to the demands of the pandemic, in the course of the year.
- In line with Scottish Government direction on Urgent Care, we have significantly developed our Urgent Care pathway, which defines how patients can best access service within Perth and Kinross. This work builds on the work of our Locality Integrated Care Service, our community based Advanced Nurse Practitioners and our MIUs (Minor Injury Units).
- We have begun work re-commissioning Respite and Day Care services
- Although paused for a while due to the pandemic, the 3-5 Year transformation programme for Complex Care has made significant progress with several work streams including Transitions, Independent Living, Behavioural Support and Technology Enabled Care making progress during the year.

We had begun to take forward the development of a new integrated organisational structure although this has been delayed for a full 12 months due to the pandemic.

The 3 Year Financial Plan approved by the IJB in March 2020 contained a significant programme of transformation that has been delayed due to the pandemic. Due to the level of planning uncertainty created by the Covid Pandemic, the IJB approved a 1 Year Balanced Budget for 2021/22 linked to the 2021/22 Remobilisation Plan. However, it is fully committed to the further development of a 3 Year Financial Plan 2022/23: 2024/25 which will deliver both on its agreed ambitions as well as refreshed strategic delivery ambitions learning from Covid.

Despite the pressures of Covid response, we have been able to take forward many of the planned improvements set out in the Partnership Improvement including the development of a 1 year Workforce plan, continued development of our Performance Reporting Framework and the Pan Tayside Review of the Integration Scheme. During the pandemic, transformational activity was driven by the priorities of the contingency level phases and significantly influenced by Scottish Government direction. This was delivered via our Command Structure and huddle arrangements which supported rapid decision making and alignment of staff to critical priorities. We are learning the lessons of this approach and enhancing our decision making arrangements moving forward. Lessons are being learnt from our success in rapid development of Remobilisation Plans over 3 phases in increasing the effectiveness of our strategic planning arrangements.

PERFORMANCE OVERVIEW

Perth and Kinross HSCP performance against Scottish Government key measurements of performance in respect of Health and Social Care integration has improved markedly from the previous financial year. This has been influenced significantly by our response to the COVID-19 pandemic throughout 2020/21. The following table along with explanatory narrative provide a summary of our performance compared to 2019/20.

ID	Indicator	Annual Performance 2019/20	12 months December 2020/21	% Movement compared to 2019/20
MSG 1a	Emergency Admissions per 100,000 population (all ages in acute hospitals)	10,319	9,341	-9.48%
MSG 2a	Number of unscheduled hospital bed days; acute specialties per 100,000 population	69,876	59,252	-15.20%
MSG 3	A&E attendances per 100,000 population	22,641	15,696	-30.67%
MSG 4.1	Delayed Discharge bed days per 100,000 population	8,170	5,009	-38.69%
MSG 5.1	Proportion of last 6 months of life spent at home or in a community setting	89.93%*	90.43%*	0.56%
*Data remains provisional and is subject to validation		Within 3%, or are meeting or exceeding our target	Between 3% and 6% away from meeting our target	More than 6% away from meeting our target

EMERGENCY ADMISSIONS

The rate of emergency admissions provides an indication of the extent to which the health and wellbeing needs of the population are being well managed and provided for. Many people who attend hospital as an emergency case could potentially have been supported earlier, preventing their decline and reducing the occurrence of an emergency situation.

A reduction in the rate of emergency admissions normally indicates an improvement in partnership working as fewer people requiring emergency treatment in hospital suggests that their health and wellbeing needs are being managed in a planned way rather than via an emergency.

It can be seen that we have improved performance against this measure from 10,319 admissions per 100,000 in 2019/20 to 9,341 for the 12 months to Dec 2020. This is an improvement of 9.48% from the rate for 2019/20.

The COVID-19 pandemic will have impacted on this measure in a range of ways with reductions in community activity contributing a depressing effect on this indicator. Against this however the pandemic presented significant increases in demand for community based services. With large scale investment in these services in recent years, and the effective mobilisation of staff from across Health and Social Care to support our most critical services, we have been able to support patients and service users to remain at home or in a community setting without the need for emergency attendances (see 3 below) or admissions. Of particular note in assisting to improve performance against this measure is the investment made in our Locality Integrated Care Service which although now well established as an effective multidisciplinary model of working, continues to expand and streamline patient pathways. By engaging a multidisciplinary team of professionals early in a patient's journey we have been able to address their needs without further deterioration and the resultant emergency admission to hospital. We have also invested in a Community Respiratory Service which will improve our ability to support patients in respect to respiratory issues which are a major contributor to the number of emergency admissions which we have.

UNSCHEDULED HOSPITAL BED DAYS

Following any admission to hospital it is important that people are supported to return home as quickly as possible once they are clinically fit to be discharged. This indicator is linked to 1a-the number of Emergency Admissions and 4.1 delayed discharges.

Bearing in mind the relationships with other related indicators, the rate of unscheduled bed days provides an understanding of the effectiveness of Health and Social Care services in speeding up the process of discharge. Reductions in this measure indicate that where someone has required hospital based care in an emergency, community based services are efficiently being made available to support people to continue their treatment and care at home. It also indicates that people are able to leave hospital swiftly, creating capacity for others to receive the treatment and care they need.

We have improved performance against this measure from a rate of 69,876 per 100,000 in 2019/20 to 59,252 for the 12 months to December 2020. This represents a 15.20% reduction year on year and continues the downward trend across recent years.

Similar to indicators 1a-Emergency Admissions above and 4.1 Delayed discharges below, the COVID-19 pandemic has had a significant impact on performance against this measure. It should however be borne in mind that the investments we have made in community based services in recent years, combined with the effectiveness of our response to pandemic pressures, has ensured that the Health and Social Care partnership has been well placed to respond to the pandemic and the varying demands which it has presented.

A&E ATTENDANCES

The number of A&E attendances provides a further measure in respect to the effectiveness of services in planning and providing care for those that need it earlier, and in the most appropriate setting thereby reducing the need for attendance at accident and emergency.

We have reduced the rate of A&E attendances in the 12 months to Dec 2020 from 22,641 per 100,000 in 2019/20 to 15,696. This is a reduction of 30.67% and reverses the increasing trend seen in recent years.

In line with other related indicators (above) this measure needs to be considered in the context of the COVID-19 pandemic. Despite the increased pressures that the pandemic has brought we can see that our performance against this indicator has improved.

With the further investment mentioned above in respect our community respiratory service and the expansion of support to GP Practices via Advance Nurse Practitioners for Urgent Care, we continue to work across Health and Social Care to improve pathways of care to support patients and service users to access the services they need at the right time and in the right location.

DELAYED DISCHARGES

Waiting for alternative care while fit for discharge represents a poor outcome for patients and is an ineffective use of limited resources. Reductions in the number of people delayed in hospital demonstrates improved effectiveness of Health and Social Care services to mobilise quickly to cater for the needs of patients as they transition from hospital to community base services.

In recent years we have improved performance against this indicator, year on year, and this has continued throughout 2020/21. The rate of delayed discharge per 100,000 population reduced from 8,170 in 2019/20 to 5,009 in the 12 months to Dec 2020, a 38.69% reduction.

The COVID-19 pandemic will have had a significant impact on this as citizens were in 'lockdown' for much of this time and elective care was reduced significantly in this period. Nonetheless the pandemic brought additional pressures and our performance against this measure indicates that services have indeed been mobilised effectively against those pressures.

In particular the creation of our "SWITCH Team" which provides short-term in-house Care at Home services has increased the speed with which patients can be supported rapidly to

transition out of hospital until independent sector care providers can provide services. The success of this team has been contingent on the continued expansion of our locality based integrated model of care (LInCs) which has created a robust multi-disciplinary way of working which sees the right profession engage with patients and services at the right time in the right setting.

PROPORTION OF LAST 6 MONTHS OF LIFE SPENT AT HOME OR IN A COMMUNITY SETTING

This indicator provides an insight into the extent to which palliative, and end of life care is being provided in a planned way, reflecting best practice and bearing in mind the wishes of patients and their family as far as is practicable. In interpreting this indicator it is important to acknowledge the suitability and the appropriateness of the location of the care provided may alter throughout the period of care as may the wishes of patients and families.

In the year to December 2020 the proportion of the last 6 months of life spent at home or in a community setting has increased in Perth and Kinross from 89.93% to 90.43%. This improvement in our performance has been impacted by the increased investment in community based services. Although the COVID-19 pandemic will have affected many facets of the Health and Social Care, our sustained improvement in this measure indicates progress in improving outcomes for patients and service users in providing end of life care.

FINANCIAL OVERVIEW

Financial Performance

The 3 Year Financial Plan, approved by the IJB in March 2020, contained a significant programme of transformation to bring a balanced position over a 3 year period. Our financial performance compared to the Financial Plan for 2020/21 is summarised in the table below:

	2020/21 Financial Plan Position Over/(Under)	2020/21 Year End Out-turn Over/(Under)	Movement from Plan Over/(Under)
	£m	£m	£m
Core	1.665	0.035	(1.630)
Hosted Services	0.098	(0.302)	(0.400)
Prescribing	(0.588)	(0.588)	0.000
GMS	0.000	(0.106)	(0.106)
Health	1.175	(0.961)	(2.136)
Social Care	0.000	(2.926)	(2.926)
Total	1.175	(3.887)	(5.062)

Finance Update reports have been presented to the IJB throughout 2020/21, reporting on the projected in year position and the impact of Covid-19. Expenditure incurred as a direct result of Covid-19 was fully funded by additional Scottish Government income, with no impact on year end out-turn. However, for many operational variances it proved challenging to differentiate those resulting from Covid-19 and those not, as nearly all services were affected directly or indirectly. It is clear the Covid-19 pandemic and the PKHSCP mobilisation response has been a significant cause for the financial position to move from plan and, mirroring the performance indicators, the financial position reflects shifts in demand for services.

In Social Care, the reduction in demand for care home placements shifted to an increased demand for care at home. However, much of this demand was met through the effective re-tasking of staff from across Health and Social Care. Some significant delays in the provision of adult care packages due to a lack of carers led to an underspend that was not directly a result of Covid-19.

In Health, the delay in the programme of transformation resulted in planned investment monies slippage and a subsequent underspend. This will now be carried forward as part of IJB reserves to invest in 2021/22. Planned spend of uncommitted monies and planned recruitment was also delayed, resulting in additional unanticipated underspend. Where vacancies arose during the year, the change in service demand meant critical vacancies were covered through staff deployment, whilst others were not immediately filled. Again, this led to unanticipated underspends across services.

Savings plans attributed to the Health & Social Care transformation programme have been affected. In line with the Covid-19 local mobilisation plan, supported by the Scottish Government, these unachieved savings were included within the costs of the plan and were part of the additional funding allocation made by the Scottish Government and therefore had no impact on the out-turn position.

As part of the development of the 3 Year Financial Plan 2022/23: 2024/25, we will seek to better understand changes to expenditure patterns and potential implications for future years.

FINANCIAL STATEMENTS

Background

The IJB's finances are overseen by the IJB's Chief Financial Officer. The Chief Financial Officer is supported by finance staff from both Perth & Kinross Council and NHS Tayside.

Analysis of Financial Statements

The main objective of the Annual Accounts is to provide information about the financial position of the IJB that is useful to a wide range of users in making and evaluating decisions about the allocation of resources.

The 2020/21 Annual Accounts comprise:

(a) Comprehensive Income and Expenditure Statement - This shows a surplus of £12.741m. The underlying operational outturn is a £3.887m underspend of which Health Services are £0.961m and Social Care £2.926m. In line with the Integration Scheme, this surplus has been added to the IJB reserve to carry forward into 2021/22. The remaining surplus of £8.854m relates to the movement and increase in reserves. Further detail is provided in section (b) and (c) below and in Note 6.

(b) Movement in Reserves - In 2020/21, earmarked reserves had an opening balance of £1.159m, this has increased by £12.741m, providing a closing balance of £13.900m. During 2020/21, a significant level of funding has been provided by the Scottish Government to the IJB via NHS Tayside. In addition to the underlying operational underspends, the most significant balances held are for Covid-19 and Primary Care Improvement Funding.

(c) Balance Sheet - In terms of routine business the IJB does not hold assets, however the balance of £13.900m reserves is reflected in the year-end balance sheet.

(d) Notes - comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

The Annual Accounts for 2020/21 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

MEDIUM TERM FINANCIAL STRATEGY

Building on the significant progress and lessons learned through our response to the Covid-19 pandemic, the 2021/22 Remobilisation Plan prioritises support and investment where it is most required. The 2021/22 one year balanced budget, approved at the IJB in March 2021, builds

on the indicative budget approved by the IJB last March 2020. This has been updated significantly to reflect Covid Remobilisation Plan priorities.

The setting of a one year financial plan for 2021/22 was agreed by the IJB in recognition of the level of planning uncertainty. However, the IJB and its Executive Management Team are fully committed to developing a 3 year Financial Plan for the years 2022/23 to 2024/25. This will incorporate the direction set out in the previously approved 3 year financial plan; the lessons learned from 2020/21; and the predicted and unforeseen pressures as a result of Covid-19. Other key factors in its development will be the funded Scottish Government service development priorities including the Primary care Improvement Plan; Mental Health Action 15; Mental Health Recovery and Renewal; Alcohol and Drug Partnership; Drug Deaths, the Community Living Change Fund for complex care and District Nursing.

In addition, the Scottish Government have identified some early priorities for the implementation of recommendations within the Independent Review of Adult Social Care. These will require to be considered.

STRATEGIC RISKS AND OUTLOOK FOR FUTURE YEARS

The IJB's key strategic risks are contained in the Strategic Risk Register, along with an assessment of level of risk facing the IJB. The Strategic Risk Register is monitored and updated frequently by the PKHSCP Executive Management Team who in turn report to the IJB Audit & Performance Committee and the IJB on a regular basis. At the Audit & Performance Committee in February 2021 the revised Strategic Risk Register was approved. Strategic Risks had been reviewed and refreshed to consider the implications of Covid -19. It was agreed that the Risk Improvement Plan be developed and brought back for consideration. The IJB approved the revised Tayside Strategic Risk Management Strategy Register at its meeting on April 2021 and agreed to hold a workshop on the strategic risks and the IJB's risk appetite during 2021/22. A summary of the Strategic Risk Register is set out in the table below.

	Risk	Priority
1	FINANCIAL RESOURCES: There are insufficient financial resources to deliver the objectives of the Strategic Plan.	Very High
2	WORKFORCE: As a result of our ageing workforce, difficulties in recruiting suitably skilled and experienced staff in some areas, and the impact of COVID-19, there is a risk that the Partnership will be unable to maintain its workforce appropriately leading to unsustainable services.	Very High
3	SAFE WORKING: There is a risk that COVID-19 restrictions on safe working practice and social distancing leads to a reduction in service provision inhibiting the ability of the Partnership to achieve its strategic aims.	Very High
4	SUSTAINABLE CAPACITY AND FLOW: As a result of the demographics of the people who use our services in Perth and Kinross and the impact of COVID-19 on our population there is a risk of 'capacity and flow' within our services being unsustainable.	High
5	SUSTAINABLE DIGITAL SOLUTIONS: As a result of being insufficiently digitally enabled or integrated there is a risk that the Partnership will not be able to adapt effectively and efficiently to deliver new models of working.	High
6	VIABILITY OF EXTERNAL PROVIDERS: As a result of social care market conditions, availability of services, and COVID-19, there is a risk that external providers of care will not be able to meet people's assessed needs in the most appropriate way.	Medium
7	INSUFFICIENT PREPAREDNESS FOR FUTURE COVID-19 (OR OTHER PANDEMIC) PRESSURES: Due to the scale of future COVID-19 outbreaks being unknown, there is a risk that preparations to sustain service provision will be insufficient.	Low
8	WIDENING HEALTH INEQUALITIES: As a consequence of COVID-19 there is a risk that health inequalities widen significantly.	High
9	LEADERSHIP TEAM CAPACITY: As a result of insufficient capacity in the Leadership Team there is a risk that the clear direction and leadership required to achieve the vision for integration is not achieved.	High
10	CORPORATE SUPPORT: As a result of insufficient Corporate staff resource there is a risk that functions (such as improvement and project support, robust administration as well as core corporate duties such as performance, risk management, strategic planning, governance and audit) will be Service unable to deliver as required to achieve strategic	High

Risk		Priority
	objectives.	
11	<u>PRIMARY CARE</u> : As a result of insufficient suitable and sustainable premises, and a lack of available national and cross-system flow of financial support, there is a risk that we will not be able to provide, within the legislative timeframe, the necessary services as defined within the 2018 General Medical Services Contract.	Very High
12	<u>EU WITHDRAWAL</u> : There is a risk that the UK will leave the EU without the necessary provisions in place to safeguard supplies, protect staff and reduce the effects of vulnerable UK citizens returning to the area, impacting on the ability of the IJB to ensure the sustainable delivery of Health and Care Services.	Low
13	<u>INPATIENT MENTAL HEALTH SERVICES</u> : There is a risk that due to the complexity of the governance arrangements for Inpatient Mental Health Services Perth and Kinross IJB will not be able to meet its Strategic Planning responsibilities.	Medium

The Covid -19 Pandemic and its long term impact creates an increased level of uncertainty both in terms of the shape and scale of the future services required to meet the needs of our population but also in terms of resources that can be made available by the Scottish Government. Further, the Independent Review of Adult Social Care and its recommendations will fundamentally change the planning landscape moving forward and delivery of the ambitions within the review will require legislative change as well as significant additional investment.

SECTION 2: STATEMENT OF RESPONSIBILITIES

This statement sets out the respective responsibilities of the IJB and the Chief Financial Officer, as the IJB's Section 95 Officer, for the Annual Accounts.

RESPONSIBILITIES OF THE INTEGRATION JOINT BOARD

The Integration Joint Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (Section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Financial Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (Section 12 of the Local Government in Scotland act 2003);
- approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Integrated Joint Board's Audit & Performance Committee on 13 September 2021.

Signed on behalf of the Perth and Kinross IJB

Councillor Eric Drysdale

IJB Chair

Date:

RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the local authority Code (in so far as it is compatible with legislation).

The Chief Financial Officer has also:

- kept proper accounting records which were up-to-date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Perth and Kinross Integration Joint Board as at 31 March 2021 and the transactions for the year then ended.

Jane Smith

Chief Financial Officer

Date:

SECTION 3: REMUNERATION REPORT

INTRODUCTION

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables following is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the financial statements.

BOARD MEMBERS

At 31 March 2021, Perth and Kinross IJB had 7 voting members and 11 non-voting members as follows:

Voting Members:

Councillor Eric Drysdale (Chair)

Bob Benson (Vice-Chair) (Non-Executive Member)

Councillor Callum Purves

Councillor John Duff

Councillor Xander McDade

Pat Kilpatrick (Non-Executive Member)

Ronnie Erskine (Non-Executive Member)

Non-voting Members:

Gordon Paterson (Chief Officer)

Jane Smith (Chief Financial Officer)

Jacqueline Pepper (Chief Social Work Officer)

Dr Lee Robertson (Secondary Medical Care Practitioner Representative)

Sarah Dickie (Associate Nurse Director)

Bernie Campbell (Carer Public Partner)

Sandra Auld (Service User Public Partner)

Allan Drummond (Staff Representative)

Stuart Hope (Staff Representative)

Sandy Watts (Third Sector Representative)

Lynn Blair (Independent Sector Representative)

During 2020/21, the position of Chair was held by Councillor Eric Drysdale.

During 2020/21, the position of Vice-Chair was held by Bob Benson, Non-Executive.

IJB CHAIR AND VICE-CHAIR

The voting members of the IJB are appointed through nomination by Perth & Kinross Council and NHS Tayside. Nomination of the IJB Chair and Vice-Chair postholders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses paid by the IJB to either the Chair or the Vice-Chair in 2020/21.

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore no pension rights disclosures are provided for the Chair or Vice-Chair.

OFFICERS OF THE IJB

The IJB does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board.

Other Officers

The Integration Joint Board requires to appoint a proper officer who has responsibility for the administration of its financial affairs in terms of Section 95 of the 1973 Local Government (Scotland) Act. The employing contract for the Chief Financial Officer adheres to the legislative and regulatory governance of the employing partner organisation. The Chief Financial Officer is included in the disclosures below.

Total	Senior Employees	Salary, Fees & Allowances	Total
2019/20			2020/21
7,706	Rob Packham Chief Officer	0	0
108,024	Gordon Paterson Chief Officer	120,426	120,426
74,952	Jane Smith	87,487	87,487
190,682	Total	207,913	207,913

Gordon Paterson was appointed to the position of Chief Officer on the 1st of April 2019. Rob Packham retired on the 30th of April 2019, there was an overlapping hand-over period of one month.

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/20 £	For Year to 31/03/21 £		Difference from 31/03/20 £	As at 31/03/21 £
Rob Packham	1,579	-	Pension	n/a	n/a
			Lump sum	n/a	n/a
Jane Smith Chief Financial Officer	15,614	16,125	Pension	2,182	27,256
			Lump sum	1,722	54,323
Gordon Paterson Chief Officer	18,364	20,472	Pension	7,296	56,381
			Lump sum	10,557	102,507
Total	35,557	36,597	Pension	9,478	83,637
			Lump Sum	12,279	156,830

DISCLOSURE BY PAY BANDS

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band	Remuneration Band	Number of Employees in Band
2019/20		2020/21
1	£70,000 - £74,999	0
0	£85,000 - £89,999	1
1	£105,000 - £109,999	0
0	£120,000 - £124,999	1

EXIT PACKAGES

No exit packages were paid to IJB staff during this period or the previous period.

Councillor Eric Drysdale

IJB Chair

Gordon Paterson

Chief Officer

Date: 13 September 2021

SECTION 4: ANNUAL GOVERNANCE STATEMENT

SECTION 5: ANNUAL ACCOUNTS

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year according to accepted accounting practices.

2019/20		2020/21
Net Expenditure		Net Expenditure
£000		£000
33,036	Community and Hospital Health Services	36,412
22,587	Hosted Health Services	24,534
27,008	GP Prescribing	26,413
44,080	General Medical/Family Health Services	48,255
16,280	Large Hospital Set aside	16,177
282	IJB Operating Costs	301
72,336	Community Care	78,796
215,609	Cost of Services	230,888
(214,298)	Taxation and Non-Specific Grant Income (Note 4)	(243,629)
1,311	(Surplus) or Deficit on Provision of Services	(12,741)
1,311	Total Comprehensive (Income) and Expenditure (Note 3)	(12,741)

This statement shows a surplus of £12.741m, which includes the balances remaining on various Scottish Government and Partnership funds and constitutes the Movement on Reserves in year. This balance has been included within earmarked reserves at 31st March 2021(as per Movement in Reserves Statement and Note 6 below).

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movements in Reserves During 2020/21	General Fund Balance
	£000
Opening Balance at 31 March 2020	(1,159)
Total Comprehensive Income and Expenditure	(12,741)
(Increase) or Decrease in 2020/11	(12,741)
Closing Balance at 31 March 2021	(13,900)

Movements in Reserves During 2019/20	General Fund Balance
	£000
Opening Balance at 31 March 2019	(2,470)
Total Comprehensive Income and Expenditure	1,311
(Increase) or Decrease in 2019/20	1,311
Closing Balance at 31 March 2020	(1,159)

There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not shown in these annual accounts.

BALANCE SHEET

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2020		Notes	31 March 2021
£000			£000
1,159	Short Term Debtors	5	13,900
1,159	Current Assets		13,900
-	Short-Term Creditors		-
-	Current Liabilities		-
-	Provisions		-
-	Long-Term Liabilities		-
1,159	Net Assets		13,900
(1,159)	Usable Reserve: General Fund	6	(13,900)
(1,159)	Total Reserves		(13,900)

The unaudited annual accounts were issued on 21 June 2021, and the audited annual accounts were authorised for issue on 13 September 2021.

Jane Smith

13/9/21

Chief Financial Officer

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL PRINCIPLES

The Financial Statements summarise the Integration Joint Board's transactions for the 2020/21 financial year and its position at the year-end date of 31 March 2021.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The Chief Financial Officer is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority's financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription.

B. ACCRUALS OF INCOME AND EXPENDITURE

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down

C. FUNDING

The IJB is funded through funding contributions from the statutory funding partners, Perth and Kinross Council and NHS Tayside. Expenditure is incurred as the IJB commission's specified health and social care services from the funding partners for the benefit of service recipients in Perth and Kinross.

D. CASH AND CASH EQUIVALENTS

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

E. EMPLOYEE BENEFITS

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a pensions liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer and a Chief Financial Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

Charges from funding partners for other staff are treated as administration costs.

F. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

A review for contingent assets and liabilities has been undertaken for the IJB and none have been identified at 31 March 2021.

G. RESERVES

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision.

H. INDEMNITY INSURANCE

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Perth and Kinross Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

I. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

In applying the accounting policies set out above, the Integration Joint Board has had to make certain judgments about complex transactions or those involving uncertainty about future events. The critical judgments made in the Annual Accounts are:

The Integration Scheme sets out the process for determining the value of the resources used in Large Hospitals, to be Set-Aside by NHS Tayside and made available to the IJB. The value of the Large Hospital Set-Aside expenditure reported in 2019/20 was £16.280m. The total expenditure in 2020/21 of £16.177m is based on the most recently available activity levels for hospital inpatient and day case activity as provided by NHS Services Scotland's Information Services Division and direct cost information provided by NHS Tayside. This is a transitional arrangement for 2020/21 agreed locally between NHS Tayside and the three Tayside Integration Joint Boards and with the Scottish Government. Work is progressing at a national and local level to refine the methodology for calculating and planning the value of this in the future.

J. RELATED PARTY TRANSACTIONS

Related parties are organisations that the IJB can control or influence or who can control or influence the IJB. As partners in the Joint Venture of Perth and Kinross Integration Joint Board, both Perth and Kinross Council and NHS Tayside are related parties and material transactions with those bodies are disclosed in note 8 in line with the requirements of IAS 24 Related Party Disclosures.

I. SUPPORT SERVICES

Support services were not delegated to the IJB and are provided by the Council and the Health Board free of charge as a 'service in kind'. These arrangements were outlined in the report of Corporate Supporting Arrangements to the IJB on 23 March 2016.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

The Annual Accounts were authorised for issue by the Chief Financial Officer on 13 September 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

NOTE 3: EXPENDITURE AND INCOME ANALYSIS BY NATURE

2019/20		2020/21
£000		£000
72,336	Services commissioned from Perth and Kinross Council	78,796
142,992	Services commissioned from NHS Tayside	151,791
249	Other IJB Operating Expenditure	266
3	Insurance and Related Expenditure	3
29	External Audit Fee	32
(214,298)	Partner Funding Contributions and Non-Specific Grant Income	(243,629)
1,311	(Surplus) or Deficit on the Provision of Services	(12,741)

Costs associated with the Chief Officer and Chief Financial Officer are included within "other IJB operating expenditure". The insurance and related expenditure relates to CNORIS costs (see note 1,H). Auditor fees related to fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor.

NOTE 4: TAXATION AND NON-SPECIFIC GRANT INCOME

2019/20		2020/21
£000		£000
(54,077)	Funding Contribution from Perth and Kinross Council	(56,743)
(160,221)	Funding Contribution from NHS Tayside	(186,886)
(214,298)	Taxation and Non-specific Grant Income	(243,629)

The funding contribution from NHS Tayside shown above includes £16.177m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

NOTE 5: DEBTORS

2019/20		2020/21
£000		£000
1,159	NHS Tayside	10,974
0	Perth & Kinross Council	2,926
1,159	Debtors	13,900

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

NOTE 6: USABLE RESERVE: GENERAL FUND

The IJB holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

As at March 2021, the IJB's Annual Accounts showed that Perth & Kinross IJB had reserves totalling £13.900m. The following table sets out the earmarked reserve balances as at 31 March 2021 which are required for specific commitments in future years.

	Balance as at 1 April 2020	Transfers (In)/Out	Balance as at 31 March 2021
	£000	£000	£000
Primary Care Improvement Fund	66	1,608	1,674
Mental Health Action 15 Fund	19	152	171
Primary Care Transformation Fund	355	(27)	328
Alcohol and Drug Partnership Fund	206	316	522
Partnership Transformation Fund	431	(23)	408
GP Premises Improvement Fund	82	(18)	64
Community Living Change Fund	0	505	505
Winter Planning Fund	0	188	188
District Nursing Fund	0	61	61
Reduce Drugs Death Fund	0	67	67
Drugs Death Task Force	0	78	78
COVID 19 Fund	0	4,547	4,547
Health Reserves Fund (NHS Tayside)	0	1,400	1,400
20/21 Health Operational Underspend	0	961	961
20/21 Social Care Operational Underspend	0	2,926	2,926
Closing Balance at 31 March 2021	1,159	12,741	13,900

NOTE 7: AGENCY INCOME AND EXPENDITURE

On behalf of all IJBs within the NHS Tayside area, Perth and Kinross IJB acts as the host partnership for, Public Dental services/Community Dental services, Prisoner Healthcare and Podiatry.

The IJB directs services on behalf of Dundee and Angus IJBs and reclaims the full costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

Perth & Kinross IJB previously hosted Inpatient Mental Health on behalf of Angus and Dundee and as such, recharged the costs associated to the relevant IJB. As detailed at Note 10 to the accounts, the Scottish Government actioned the transfer of operational management responsibility for Inpatient Mental Health Services in Tayside from the Integrated Joint Boards (previously hosted by Perth & Kinross) to NHS Tayside. This means there is no recharge from Perth & Kinross IJB to Angus or Dundee in 2020/21.

The amount of expenditure and income relating to the agency arrangement is shown below.

2019/20		2020/21
£000		£000
22,908	Expenditure on Agency Services	6,207
(22,908)	Reimbursement for Agency Services	(6,207)
-	Net Agency Expenditure excluded from the CIES	-

NOTE 8: RELATED PARTY TRANSACTIONS

The IJB has related party relationships with the NHS Tayside and the Perth and Kinross Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

Income – payments for integrated functions

2019/20		2020/21
£000		£000
54,077	Perth and Kinross Council	56,743
160,221	NHS Tayside	186,886
214,298	Total	243,629

Expenditure – payments for delivery of integrated functions

2019/20		2020/21
£000		£000
72,368	Perth and Kinross Council	78,831
142,992	NHS Tayside	151,791
249	NHS Tayside: Key Management Personnel Non-Voting Board Members	266
215,609	Total	230,888

This table shows that expenditure within Perth and Kinross Council is £22.088m greater than Perth and Kinross Council funding contributions. This represents IJB funding received from NHS Tayside being directed into Perth and Kinross Council and also the transfer to general fund balances of £2.926m.

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer; the Chief Financial Officer. Details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Perth and Kinross Council employs the council staff and Chief Social Work Officer representatives on the IJB Board but there is no discrete charge for this representation.

Balances with Perth and Kinross Council

2019/20		2020/21
£000		£000
-	Debtor balances: Amounts due from Perth and Kinross Council	2,926
-	Creditor balances: Amounts due to Perth and Kinross Council	-
-	Total	2,926

Balances with NHS Tayside

2019/20		2020/21
£000		£000
1,159	Debtor balances: Amounts due from NHS Tayside	10,974
-	Creditor balances: Amounts due to NHS Tayside	-
1,159	Total	10,974

NOTE 9: VAT

The IJB is not VAT registered and as such the VAT is settled or recovered by the partner agencies.

The VAT treatment of expenditure in the IJBs accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure excludes any amounts relating to VAT, as all VAT collected is payable to H.M. Revenue and Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is recoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as income from the commissioning IJB.

NOTE 10: INPATIENT MENTAL HEALTH

During 2020-21, the Scottish Government actioned the transfer of operational management responsibility for Inpatient Mental Health Services in Tayside from the Integrated Joint Boards (previously hosted by Perth & Kinross) to NHS Tayside. This meant that NHS Tayside managed the budget and associated variances in 2020-21.

The IJB retains responsibility for the consumption of, and level of demand placed on these resources. This means that £9.072m has been included within the Hosted Services line in the CIES in 20-21, which constitutes Perth & Kinross IJB's share of Inpatient Mental Health.

2019/20		2020/21
£000		£000
14,047	Expenditure on Hosted Services	15,462
8,540	Expenditure on Inpatient Mental Health	9,072
22,587	Total Expenditure on Hosted Services	24,534

SECTION 7: INDEPENDENT AUDITOR'S REPORT
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SECTION 8: GLOSSARY OF TERMS

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred not as money is received overpaid.

Asset

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non-current asset provides benefits to the IJB and to the services it provides for a period of more than one year.

Audit of Accounts

An independent examination of the IJB's financial affairs.

Balance Sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

Contingent Asset/Liability

A Contingent Asset/Liability is either:

- A possible benefit/obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the IJB's control; or
- A present benefit/obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

Creditor

Amounts owed by the IJB for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the IJB for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Pension Scheme

Pension scheme in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the IJB and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

IRAG

Integration Resources Advisory Group

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

Provisions

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PSIAS

Public Sector Internal Audit Standards.

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer, the Chief Finance Officer, the Heads of Service and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than incash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

SOLACE

Society of Local Authority Chief Executives.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom.



PERTH & KINROSS INTEGRATION JOINT BOARD
AUDIT AND PERFORMANCE COMMITTEE
WORK PLAN 2021/22

Report No: G/21/84

This work plan outlines the major items the Audit and Performance Committee has to consider as part of its schedule of work for the year. This should allow the Committee to fulfil its terms of reference. It will continue to be kept under review throughout the year.

Item	Standing Item	Non Standing Item	Responsibility	June 22 nd 2021	August 2 nd 2021	Sept 14 th 2021	Nov 30 th 2021	Feb 15 th 2022
Governance & Assurance								
Strategic Risk Management Update	✓		Chief Officer	✓		✓	✓	✓
Partnership Improvement Plan	✓		Chief Officer	✓		✓	✓	✓
Audit Recommendations Update	✓		HOFCs	✓		✓	✓	✓
Internal Audit Annual Report and Assurance Statement		✓	Chief Internal Auditor	✓				
Appointment of Internal Auditors 2021/22		✓	HOFCs	✓				
Appointment of Internal Auditors 2022/23		✓	HOFCs					✓
Extension To External Audit Appointment		✓	HOFCs				✓	
Internal Audit Reports 2019/20:								
• Financial Risks PKIJB 19-01		✓	Chief Internal Auditor	✓				
Internal Audit Reports 2020/21:								
• Improvement Actions PKIJB 20-01		✓	Chief Internal Auditor	✓				
• Corporate Support PKIJB 20-02		✓	Chief Internal Auditor					
• Commissioned Service Providers 20-03		✓	Chief Internal Auditor	✓				
Internal Audit Reports 2021/22:								
• TBC		✓	Chief Internal Auditor					
Internal Audit Plan 2021/22		✓	Chief Internal Auditor	✓				
Internal Audit Plan Progress Report	✓		Chief Internal Auditor	✓		✓	✓	✓
External Audit Strategy		✓	External Auditor					✓
External Audit – Proposed Audit Fee 2021/22		✓	HOFCs					✓
External Audit Annual Report 2020/21		✓	External Auditor			✓		
Care & Professional Governance Forum Annual Report 2020/21		✓	Co-chairs of the CPGF			✓		

Performance								
Locality Update:								
• South Locality		✓	Chief Officer					✓
• Perth City Locality		✓	Chief Officer			✓		

Item	Standing Item	Non Standing Item	Responsibility	June 22 nd 2021	August 2 nd 2021	Sept 14 th 2021	Nov 30 th 2021	Feb 15 th 2022
• North Locality		✓	Chief Officer				✓	
Financial Position	✓		HOFCS	✓		✓	✓	✓
HSCP Performance Quarterly Report		✓	Chief Officer	✓		✓	✓	✓
Annual Performance Report		✓	Chief Officer		✓			

Annual Accounts								
Annual Governance Statement		✓	HOFCS	✓				
Unaudited Annual Accounts 2020/21		✓	HOFCS	✓				
Audited Annual Accounts 2020/21		✓	HOFCS			✓		
Letter of Representation to External Audit		✓	HOFCS			✓		

For Information								
Assurances Received from Partners		✓	For information			✓		
Audit & Performance Committee Record of Attendance	✓		For information	✓	✓	✓	✓	✓
Audit & Performance Committee Work Plan	✓		For information	✓	✓	✓	✓	✓



Record of Attendance 1 April 2020 - 31 March 2021

Members

Name	Designation	Organisation	22 Jun 20	14 Sep 20	30 Nov 20	15 Feb 21
Councillor Callum Purves	Elected Member	Perth & Kinross Council	PRESENT	PRESENT	PRESENT	PRESENT
Bernie Campbell	Carer's Representative	Public Partner	APOLOGIES	PRESENT	APOLOGIES	PRESENT
Councillor John Duff	Elected Member	Perth & Kinross Council	PRESENT	PRESENT	APOLOGIES	PRESENT
Ronnie Erskine	Non Executive Director	NHS Tayside	PRESENT	APOLOGIES	PRESENT	PRESENT
Pat Kilpatrick	Non Executive Director	NHS Tayside	PRESENT	PRESENT	PRESENT	PRESENT

In Attendance

Name	Designation	Organisation	22 Jun 20	14 Sep 20	30 Nov 20	15 Feb 21
Gordon Paterson	Chief Officer	P&K HSCP	PRESENT	PRESENT	PRESENT	PRESENT
Jane Smith	Chief Financial Officer	P&K HSCP	PRESENT	PRESENT	PRESENT	PRESENT
Councillor Eric Drysdale	Elected Member	Perth & Kinross Council	PRESENT			PRESENT
Bob Benson	Non Executive Director	NHS Tayside	PRESENT			
Diane Fraser	Head of Adult Social Work	P&K HSCP		PRESENT		
Phil Jerrard	Governance & Risk Coordinator	P&K HSCP	PRESENT	PRESENT	PRESENT	PRESENT
Fiona Low	Business & Resources Manager	P&K HSCP	PRESENT	PRESENT	PRESENT	PRESENT
Scott Hendry	Team Leader (Committee Services)	Perth & Kinross Council		PRESENT		PRESENT
Adam Taylor	Assistant Committee Officer	Perth & Kinross Council		PRESENT	PRESENT	PRESENT
M Pasternack	Corporate and Democratic Services	Perth & Kinross Council				PRESENT
Audrey Brown	Corporate and Democratic Services	Perth & Kinross Council				PRESENT
Donna Mitchell	Finance Manager	P&K HSCP		PRESENT	PRESENT	
Jackie Clark	Chief Internal Auditor	Perth & Kinross Council		PRESENT	PRESENT	PRESENT
Michael Wilkie	External Auditor	KPMG		PRESENT		
Christopher Windeatt	External Auditor	KPMG		PRESENT		PRESENT
L Preston	External Auditor	KPMG				PRESENT
Sandy Strathearn	Business Improvement	P&K HSCP		PRESENT		PRESENT
Councillor Xander McDade	Elected Member	Perth & Kinross Council				
Chris Jolly	Service Manager	P&K HSCP	PRESENT	PRESENT	PRESENT	PRESENT
Colin Paton	Lead for Communication	P&K HSCP		PRESENT	PRESENT	
Lynn Blair		Scottish Care	PRESENT			
Lindsay Bailie	South Locality Manager	P&K HSCP			PRESENT	
Jacque Pepper	Chief Social Work Officer	Perth & Kinross Council			PRESENT	
Sandra Auld ¹	Service User Public Partner	Public Partner			PRESENT	

¹ Substituted for B. Campbell 30/11/20

