



Council Building
2 High Street
Perth
PH1 5PH

06/09/2021

A Virtual Meeting of the **Audit and Performance Committee of the Perth and Kinross Integration Joint Board** will be held on **Monday, 13 September 2021** at **09:30**.

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, 13 September 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 MINUTES

3.1 MINUTE OF MEETING OF THE AUDIT AND PERFORMANCE COMMITTEE OF 21 JUNE 2021 **5 - 12**
(copy herewith)

3.2 MINUTE OF SPECIAL MEETING OF THE AUDIT AND PERFORMANCE COMMITTEE OF 2 AUGUST 2021 **13 - 16**
(copy herewith)

3.3 ACTION POINTS UPDATE **17 - 18**
(copy herewith G/21/104)

3.4 MATTERS ARISING

4 PERFORMANCE

4.1 2021/22 FINANCIAL POSITION **19 - 32**
Report by Head of Finance and Corporate Services (copy herewith G/21/105)

4.2 KEY STRATEGIC PERFORMANCE INDICATOR REPORT FOR THE PERIOD TO JUNE 2021: QUARTER 1 **33 - 38**
Report by Chief Officer (copy herewith G/21/106)

5 GOVERNANCE & ASSURANCE

5.1 STRATEGIC RISK MANAGEMENT UPDATE **39 - 66**
Report by Chief Officer (copy herewith G/21/107)

5.2	PARTNERSHIP IMPROVEMENT PLAN UPDATE Report by Chief Officer (copy herewith G/21/108)	67 - 82
5.3	AUDIT RECOMMENDATIONS UPDATE Report by Head of Finance and Corporate services (copy herewith G/21/109)	83 - 92
5.4	INTERNAL AUDIT PROGRESS REPORT Report by Chief Internal Auditor (copy herewith G/21/110)	93 - 98
6	AUDITED ANNUAL ACCOUNTS 2020/21	
6.1	ASSURANCES RECEIVED FROM PARTNERS (copy to follow)	
6.2	AUDITED ANNUAL ACCOUNTS 2020/21 Report by Head of Finance and Corporate Services (copy herewith G/21/112)	99 - 138
	APPENDIX 2 (copy to follow)	
7	FOR INFORMATION	
7.1	AUDIT & PERFORMANCE COMMITTEE WORK PLAN 2021/22 (copy herewith G/21/113)	139 - 140
7.2	AUDIT & PERFORMANCE COMMITTEE RECORD OF ATTENDANCE 2021/22 (copy herewith G/21/114)	141 - 142
8	PRIVATE DISCUSSION	
9	DATE OF NEXT MEETING 13 December 2021 7 March 2022	

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 the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

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 21 June 2021 at 11.00am.

Present: Councillors C Purves (Chair) and J Duff (Perth and Kinross Council), P Kilpatrick and D McPherson (substituting for R Erskine) (Tayside NHS Board), and M Summers (substituting for B Campbell, Carer Public Partner).

In Attendance: Councillor E Drysdale (Chair of IJB); B Benson (Vice-Chair of IJB); G Paterson, Chief Officer, J Smith, Head of Finance and Corporate Services, C Jolly, E Devine, Z Robertson, F Low, M Grant 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).

Apologies: R Erskine (Tayside NHS Board); B Campbell (Carer Public Partner); D Mitchell (Perth and Kinross Health and Social Partnership)

Councillor Purves, Chair.

1. WELCOME AND APOLOGIES

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

2. DECLARATIONS OF INTEREST

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

3. MINUTE OF PREVIOUS MEETING

3.1 MINUTE OF MEETING OF THE AUDIT AND PERFORMANCE COMMITTEE OF 15 FEBRUARY 2021

The minute of meeting of the Audit and Performance Committee of the Perth and Kinross Integration Joint Board of 15 February 2020 was submitted and approved as a correct record.

3.2 ACTION POINTS UPDATE

The Action Points Update (Report G/21/69) was submitted and updates provided thereon.

3.3 MATTERS ARISING

There were no matters arising.

4. PERFORMANCE

4.1 2020/21 FINANCIAL POSITION

There was submitted a report by the Head of Finance and Corporate Services (G/21/70) providing an update on (1) the 2020/21 projected year-end out-turn for core services based on financial performance for the twelve months to 31 March 2021; (2) the impact of the pandemic on the year-end financial position; and (3) the closing position on the IJB reserves.

J Smith/E Devine/Z Robertson gave a slide based presentation.

P Kilpatrick commented on the workforce recruitment challenges and asked if the Partnership should consider allocating significant funding for increased use of Technology Enabled Care (TEC) in future financial plans. In response, G Paterson welcomed this and advised that the Partnership's ambition is to revisit previous plans and strategies in light of the pandemic and that this will be achieved through a 3 year Strategic and Financial Delivery Plan focusing on 5 priority areas, which 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. He further stated that he anticipated bringing proposals and recommendations to the IJB over the course of the next year.

Resolved:

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

4.2 KEY STRATEGIC PERFORMANCE INDICATOR REPORT FOR THE PERIOD TO DECEMBER 2020: QUARTER 3

There was submitted a report by the Chief Officer (G/21/71) providing an update on the Health and Social Care Partnership's performance for the quarter three period to 31 December 2020 including progress against National and Ministerial Steering Group Indicators.

D MacPherson queried if data is broken down into different areas in Perth and Kinross as this can make interpretation of trends clearer. In response, C Jolly advised that this happens on a month to month basis to allow more granular analysis at executive level, but these do not come to Committee at this stage. G Paterson added that the HSCP were currently developing a suite of indicators at the next level down which are being refined and reported to the Executive Management Team and were very much operational but that any significant trends or issues will be reported to this Committee. He further confirmed a commitment had been given to develop

resources around building on previous work in relation to the Integrated Resource Framework which will allow detailed locality/GP Practice analysis on consumption of health and social care services.

Resolved:

- (i) The Health and Social Care Partnership's performance for the period to December 2020, be noted.
- (ii) The update provided in respect of performance on readmissions, be noted.

5 GOVERNANCE & ASSURANCE

5.1 STRATEGIC RISK MANAGEMENT UPDATE

There was submitted a report by the Chief Officer (G/21/72) providing an update on the Integration Joint Board Strategic Risk Register and the improvement actions being taken to mitigate the risks.

P Kilpatrick queried strategic risk concerning Primary Care and of the necessity to develop a Premises Strategy. G Paterson provided assurance that a PKHSCP Primary Care Strategy, looking at workforce and premises, is currently under development. He also stated that in relation to premises, the Partnership cannot enter into lease agreements so this will present a challenge to NHS Tayside to take responsibility. He also advised that the strategy will be presented to NHS Tayside at the earliest opportunity.

Resolved:

- (i) The IJB's Strategic Risk Register and Strategic Risk Improvement Plan as detailed in Report G/21/72, be noted.
- (ii) The approved Tayside Risk Management Strategic as detailed in Appendix 3 to Report G/21/72, be noted.

5.2 PARTNERSHIP IMPROVEMENT PLAN UPDATE

There was submitted a report by the Chief Officer (G/21/73) providing an update on progress made against the actions within the Partnership Improvement Plan.

Resolved:

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

5.3 AUDIT RECOMMENDATIONS UPDATE

There was submitted a report by the Head of Finance and Corporate Services (G/21/74) providing an update on progress on the implementation of all internal and

external audit recommendations arising since the formal inception of the Integration Joint Board on 1 April 2016.

Resolved:

- (i) The new completion dates for recommendations 34, 41b and 58a as detailed in Appendix 1 to Report G/21/74, be noted.
- (ii) The progress made to date on implementing agreed recommendations, be noted.

M SUMMERS LEFT THE MEETING AT THIS POINT

5.4 INTERNAL AUDIT PROGRESS UPDATE

There was submitted a report by the Chief Internal Auditor (G/21/75) providing an update on progress in relation to Internal Audit's planned activity.

Resolved:

The progress made with the delivery of the 2019/20 and 2020/21 plans as detailed in Appendix 1 to Report G/21/75, be noted.

5.4.1 INTERNAL AUDIT REPORT - FINANCIAL RISKS (19-01)

There was submitted a report by the Chief Internal Auditor (G/21/76) reviewing the arrangements in place to ensure that financial risks are mitigated and managed as appropriate.

The Audit & Performance Committee agreed to write to Partner Bodies to advise them of action 3 and to seek their support to resolve.

Resolved:

The contents of Report G/21/76, be noted.

5.4.2 INTERNAL AUDIT REPORT - IMPROVEMENT ACTIONS (20-01)

There was submitted a report by the Chief Internal Auditor (G/21/77) reviewing the efficiency and effectiveness of the completion of agreed improvement actions and the ensuing reporting arrangements.

Resolved:

The contents of Report G/21/77, be noted.

5.4.3 INTERNAL AUDIT REPORT - PROVIDER SUSTAINABILITY PAYMENTS (20-03)

There was submitted a report by Chief Internal Auditor (G/21/78) reviewing social care sustainability payments made to Commissioned Service Providers.

Councillor Purves raised a query around action point 2 concerning a general cap of 25% of the annual contract value and queried whether this had been exceeded. In response, J Smith advised that she could provide a degree of

assurance on this but not categorical assurance, this would be investigated and the findings circulated in due course.

Resolved:

The contents of Report G/21/78, be noted.

5.5 CHIEF INTERNAL AUDITORS ANNUAL REPORT AND ASSURANCE STATEMENT 2020/21

There was submitted a report by the Chief Internal Auditor (G/21/79) presenting the year-end report and audit opinion of the Chief Internal Auditor for 2020/21.

Resolved:

The contents of Report G/21/79 be noted, specifically the Audit Opinion detailed at Section 5 of the report.

E DEVINE LEFT THE MEETING AT THIS POINT.

5.6 APPOINTMENT OF INTERNAL AUDITORS 2021/22

There was submitted a report by the Head of Finance and Corporate Services (G/21/80) proposing Internal Audit Arrangements for the Integration Joint Board for 2020/21.

J Smith advised that in line with best practice the Audit and Performance Committee were required to make a recommendation to the IJB about Internal audit arrangements for the financial year.

Resolved:

- (i) The recommendation to the Integration Joint Board of the appointment of Jackie Clark as Chief Internal Auditor be approved.
- (ii) The appointment of Perth and Kinross Council Internal Audit Services and FTF as the IJB's Internal Auditors for 2021/22 for a period of 1-year, be approved.

5.7 INTERNAL AUDIT STRATEGY & PLAN 2021/22

There was submitted a report by the Chief Internal Auditor (G/21/81) seeking approval of the Annual Internal Audit Plan for Perth and Kinross Integration Joint Board for 2021/22.

Resolved:

The Internal Audit Strategy and Plan for 2021/22 as detailed in Appendix 1 to Report G/21/81, be approved.

6 DRAFT ANNUAL ACCOUNTS 2020/21

6.1 ANNUAL GOVERNANCE STATEMENT

There was submitted a report by the Head of Finance and Corporate Services (G/21/82) seeking 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.

J Smith explained that the annual review of governance provided the opportunity to review the rules, resources, systems, processes, culture and values of the organisation to ensure the framework surrounding delivery of strategic objectives was adequate. She further advised that the review showed a number of areas where further work will strengthen our internal controls and these are set out in the action plan for 2021/22 and also form key components of the Partnership Improvement Plan.

P Kilpatrick queried the paragraph in the Internal Control Framework section which states "Regular review of service quality against recognised professional clinical and care standards is provided by the PKHSCP Clinical Governance Forum which provides assurance to NHS Tayside Clinical Care Governance Committee and to the IJB." In response, J Smith explained that an Annual Assurance Report will come to the September meeting of this Committee which will give assurance from the PKHSCP Clinical Governance Forum, NHS Tayside Care Governance Committee and Perth and Kinross Council Scrutiny Committee. G Paterson concurred that the IJB, as a commissioning and planning body, should receive assurance from their statutory partners and as PKHSCP services are monitored through the Partnership's Clinical Governance Forum this allows the Chief Social Work Officer and the Associate Medical Director to report directly to NHST Care Governance Committee, he also advised that a similar arrangement is currently being considered for PKC. G Paterson also advised that consideration is being given to providing a level of reporting to this Committee in relation to this but that the Integration Scheme advises that the IJB should not be sighted on this level of detail and that the IJB should be assured by the Chief Officer that appropriate arrangements, measures and processes are in place for Clinical and Professional Governance. He further stated that this was an area that needed further exploration and discussion to ensure that IJB members are clear where their responsibilities sit in relation to this.

P Kilpatrick further advised that, as Deputy Chair of NHS Care Governance Committee, she does see all the reports but that IJB members would not see these reports, so it is therefore incorrect to include the earlier mentioned statement as this is currently not being reported to the IJB at present. In response, J Smith stated that this is a draft report which will be signed off in September and the reports providing the assurance will be brought forward at that meeting. She further clarified that the statement is written on the assumption that this happens and that a point of clarification will be circulated to members to make this point.

Resolved:

The 2020/21 Annual Governance Statement as detailed in Appendix 1 to Report G/21/82, be approved, subject to the action above being completed, for inclusion in the unaudited Annual Accounts.

6.2 UNAUDITED ANNUAL ACCOUNTS 2020/21

There was submitted a report by the Head of Finance and Corporate Services (G/21/83) presenting 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.

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

Resolved:

- (i) The Unaudited Annual Accounts be approved for submission to the Controller of Audit by 30 June 2021.
- (ii) The Head of Finance and Corporate Services be authorised to sign the Unaudited Annual Accounts on behalf of the IJB.

7. FOR INFORMATION

There were submitted and noted the following reports for information:

7.1 AUDIT & PERFORMANCE COMMITTEE WORK PLAN 2021/22 (G/21/84)

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

8. DATES OF FUTURE MEETINGS

2 August at 10.30am (revised date, originally scheduled for 26 July 2021)
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.

9. PRIVATE DISCUSSION

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

10. DATE OF NEXT MEETING

Monday 2 August 2021 at 10.30am.

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

Minute of Special Meeting of the Audit and Performance Committee of the Perth and Kinross Integration Joint Board (IJB) held via Microsoft Teams on Monday 2 August 2021 at 9.30am.

Present: Councillors C Purves (Chair) and J Duff (Perth and Kinross Council), B Benson (substituting for P Kilpatrick) and D McPherson (substituting for R Erskine) (Tayside NHS Board), and B Campbell (Carer Public Partner).

In Attendance: Councillor E Drysdale; G Paterson (Chief Officer), J Smith (Head of Finance and Corporate Services), C Jolly, K Ogilvy, A McManus, F Low and P Jerrard (all Perth and Kinross Health and Social Care Partnership); S Hendry, K Molley and A Brown, Corporate and Democratic Services (Perth and Kinross Council).

Apologies: P Kilpatrick and R Erskine (both Tayside NHS Board)

Councillor Purves, Chair.

1. WELCOME AND APOLOGIES

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

2. DECLARATIONS OF INTEREST

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

3. ANNUAL PERFORMANCE REPORT 2020/21

There was submitted a report by the Chief Officer (G/20/100) presenting the Annual Performance Report (APR) for the Partnership for the year 2020/21 which sets out the performance against key performance indicators and providing an overview of the steps taken to delivery services in pursuance of the strategic objectives and the national health and wellbeing outcomes while responding to the Covid-19 pandemic.

D McPherson commended the report but queried the measure of the number of carers who feel supported in their role and commented that this seemed quite low and wondered whether we should be doing more. He also referred to the staff pulse survey which showed 50-60% of staff felt satisfied in their role and stated this also seemed low. In response, G Paterson concurred with this sentiment and stated that we should not be content with the Carers figure. He further commented that work had taken place during the pandemic with Carers with the production of a local survey which informed development activity and action planning moving forward but

conceded that more work needed to be done. He also further advised that with regards to staff feeling satisfied in their role, the Partnership had a range of measures identified to improve this and in particular in relation to the emotional toll of the pandemic on our staff. He confirmed that work will continue to enhance this provision in conjunction with our Statutory Partners and whilst the surveys indicate that we are performing relatively well we should not be complacent and there is more that can be done.

Councillor Drysdale stated he was encouraged with the plans in place for increasing facilities for individuals with more complex needs and acknowledged the unavoidable delays caused by the pandemic over the last 18 months and the impact on day centres and daytime support. In response, K Ogilvy advised that the Partnership was hopeful of significant developments being completed by the end of the year but stressed the importance for suitable models of care also being in place. He also stated that building based day care is now available, albeit restricted and dependent on need but this will increase as restrictions are eased.

Councillor Purves commented on the need to include more case studies in the report to give an idea of how our services are being delivered on the ground. In response, C Jolly acknowledged this and stated that undertaking this work has been challenging this year due to the pandemic, but that the Partnership was now seeking to ensure a systematic approach across a small number of services to gain patient and service user feedback with the ethos behind this being to try and understand the extent to which service users are being supported and to get to a point where we can quantify the information harvested. G Paterson also stated that he acknowledged this reasonable challenge from Councillor Purves and that in this report we do not have a system for gathering and reporting the regular positive feedback of people who use our services. He further stressed the need to find a way of gathering this as well as complaints and that he would like to see our APR to begin to move to a position of less reporting as outputs of measures of productivity and activity, and more about outcomes and how we are making a difference to people's lives and confirmed this will be something which will be considered in the next APR.

D McPherson questioned the Primary Care Services section in the report and what lessons have been learnt here from the pandemic and what might we do differently in the future. In response, G Paterson advised that the contribution of Primary Care from the outset of the pandemic has been remarkable, and the Partnership has derived significant benefits from effective working with GP colleagues and through the commitment and compassion of District Nurses providing services in local communities. He further stated that much of what we need to advance in relation to Primary Care is articulated in the GMS contract already and the provision that we need to make to ensure that we can bring forward a range of services away from GP Practices which need not be dealt with by GPs. He also stated that there have been opportunities during the pandemic to accelerate some of this work in relation to Social Prescribers, Mental Health support and MSK services for example and in the second phase of the pandemic we saw the continued commitment of GPs in the face of staff having to self isolate and the effective work done by the Medical Director and GP Practices to mitigate this. He stated there was enormous goodwill, commitment, creative working across boundaries, use of

appropriate digital and a real commitment to a collective endeavour to provide a strong foundation for us moving forward in delivering the GMS contract.

Resolved:

- (i) The Annual Performance Report 2020/21 as set out in Appendix 1 of Report G/20/100 be approved subject to the following amendments being made and circulated to Members:
- Addition of indicator showing if Scotland figures are up or down to aid historic comparison.
 - Explanation of NI20 to be added.
 - Words concerning the Strategic Planning Group to be reviewed.
 - Consideration of inclusion of wording on pilot on health inequalities.
 - Section on rising demand regarding Mental Health issues and the Third Sector support to be strengthened.
 - Inclusion of issues concerning Public Dental Services.
- (ii) The progress made towards achieving the aims outlined within the Strategic Commissioning Plan 2020-2025 be noted.



Action Points Update 13 September 2021

Perth & Kinross IJB – Audit and Performance Committee (Report G/21/104)

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	30/11/21	Regular performance information now being received from Partners. A short briefing will be issued to members as part of the next Chief Officer Briefing to IJB members.
49		15/2/21	IJB Risk Workshop/Development Session be scheduled to consider risk strategy, strategic/operational risks and role/sphere of influence of IJB.	CO/CFO	30/09/21	Complete	An IJB Development Session took place on 25 th August 2021 to consider Risk Management Strategy. A follow up session will now be arranged to consider risk tolerance.
50		15/2/21	IJB Risk Workshop/Development Session be scheduled to consider risk tolerance and acceptability.	CO/CFO	30/09/21	31/12/21	

Ref.	Min. Ref.	Meeting	Action	Responsibility	Timescale	Revised Timescale	Update/Comments
51	5.4	21/06/21	The Audit & Performance Committee agreed to write to Partner Bodies regarding continued outstanding issues around financial risk	Chair	30/08/21	Complete	Letter has been issued.
52	5.4	21/06/21	Confirmation to be provided that the general cap of 25% of the annual contract value in relation to sustainability payments made to providers has not been breached.	Head of Finance & Corporate Services	30/08/21	Complete	The Internal Audit Report did not clarify that the 25% cap of total contract value was in respect of advance payments rather than all extraordinary costs. Only one advance payments has been approved and it was well below 25% of contract value.



PERTH & KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

13 SEPTEMBER 2021

2021/22 FINANCIAL POSITION

Report by the Chief Financial Officer (Report No. G/21/105)

PURPOSE OF REPORT

The purpose of this report is to advise the Audit & Performance Committee of the 2021/22 projected year end out-turn based on financial performance for the 4 months to 31 July 2021.

1. RECOMMENDATIONS

It is recommended that the Audit & Performance Committee:

- i. Notes the overall projected out-turn after the application of reserves is a £0.236m underspend;
- ii. Notes the Covid-19 Response & Remobilisation costs are forecast to be £8.821m. Of this, £4.587m will be met by the IJB Covid-19 Reserve. The forecast assumes the balance will be covered in full by additional Scottish Government funding;
- iii. Notes the update regarding the IJB reserves position for 2021/22;
- iv. Notes the financial risks that may have a future impact on the financial forecast against which mitigating actions continue to be identified.

2. BACKGROUND

- 2.1 The 2021/22 Budget set by the Integration Joint Board (IJB) in March 2021 (Report G/21/25) supported break-even across Health and Social Care after application of reserves.
- 2.2 This is the first financial update for 2021/22. The Audit & Performance Committee will receive regular reports on the financial position throughout the year.

3. GENERAL OVERVIEW

- 3.1 Over-all a £0.236m under spend if forecast for 2021/22 after use of reserves. This is an improvement on the planned break–even position

Table 1

	Month 4 Projection Over / (Under) £m
Health Services	0
Social Care Services	(0.236)
Projected Position	(0.236)

- 3.2 The Financial Plan assumed use of £3.483m of reserves to deliver break–even. However only £1.794m of reserves is required to deliver the forecast above.
- 3.3 Covid Remobilisation costs of £8.821m are forecast for 2021/22. Of this, £4.587m will be met by the IJB Covid-19 Reserve. This forecast assumes that the balance will be covered in full by additional Scottish Government funding.
- 3.4 Slippage in savings of £1.811m is included within the general forecast position above. However, the Local Remobilisation Plan (LMP) Finance Submission to the Scottish Government includes this slippage over and above the £8.821m forecast costs. Whilst NHS Boards and HSCP's have been asked to make no assumption at this stage of funding to offset slippage in savings, they have asked that such slippage be included in LMP forecasts since discussion is still ongoing around potential SG funding.
- 3.5 A number of financial risks have been identified that may impact on the Financial Forecast moving forward. These will continue to be monitored and all efforts taken to deliver break-even at the year end.

4. SOCIAL CARE

- 4.1 An under-spend of £0.236m is forecast for Social Care Services. Table 2 below sets out the forecast position compared to plan.

Table 2

Social Care	Approved Financial Plan £m	Month 4 Projection £m
Recurring Deficit/ (Surplus)	0.456	(0.450)
2021/22 Core Position	0.000	(0.716)
Slippage in Savings Delivery	1.019	0.804
Delay in Contributions Review	0.708	0.708
Transformation Support	0.393	0.256
Sub-Total Shortfall / (Surplus)	2.576	0.602
PKIJB Reserve-2020/21	1.738	0.000
PKC Non-Recurring Funding	0.838	0.838
Sub-Total Offset Funding	2.576	0.838
Variance Shortfall / (Surplus)	0.000	(0.236)

- 4.2 The positive movement in the recurring deficit is driven by additional Scottish Government Living Wage funding (£0.9m). Living Wage costs had already been fully anticipated in the budget prior to the funding being announced at the end of March 2021. The application of this recurring surplus will be considered as part of the development of the 2022/23 Financial Plan.
- 4.3 Appendix 1 provides a breakdown of the £0.716m under spend forecast on the core position.
- 4.4 For Older Peoples Services, an underspend of £0.618m is forecast. This is largely driven by an underspend of £0.983m in Care Home placements where demand is significantly lower than plan. In addition, an underspend of £0.252m is forecast on Day Care and Transport due to usage levels. These underspends are being partially offset by a £0.631m overspend forecast on Care at Home where demand is far higher than plan. This is a shift from last year's significant Care at Home underspend.
- 4.5 For Adult Services, placements and supported community living is projecting an overspend of £0.355m. This is a significant movement from the material underspend reported last year. This is being offset however by a £0.120m underspend on Day Care and Transport due to usage levels.
- 4.6 Within Management & Commissioned Services, the £0.906m additional Scottish Government Living Wage Funding referred to above is the most significant contribution to the overall underspend being forecast.
- 4.7 The Social Care forecast includes slippage on savings which is considered in the Savings Section below.

5. HEALTH

- 5.1 Breakeven is being forecast overall for health services after applying agreed reserves. Table 3 below sets out the forecast position compared to plan. The position before application of reserves is broadly in line with plan.

Table 3

Health	Approved Financial Plan £m	Month 4 Projection £m
Recurring Deficit	1.127	1.348
Projected 2021/22 Under spend	(0.866)	(0.628)
Slippage in Savings Delivery	1.376	1.007
Transformation Support	0.112	0.067
Sub-Total Shortfall / (Surplus)	1.749	1.794
PKIJB Reserve- 2020/21	0.345	0.961
PKIJB Reserve- NHST Bridging	1.404	0.833
Sub-Total Offset Funding	1.749	1.794
Variance Shortfall / (Surplus)	0	0

- 5.2 Appendix 1 provides a breakdown of the £0.628m under spend forecast on the core position.
- 5.3 Older Peoples Services are forecasting an overspend of £0.168m. For Inpatient Wards, a £0.233m forecast overspend is driven by supplementary staffing costs to cover vacancies. For Allied Health Professionals a £0.200m overspend is driven by Occupational Therapy and Physiotherapy staff above budgeted levels, with an urgent review now underway. For Community Nursing a £0.280m overspend is driven by a regrading of Band 6 staff. This pay pressure was not anticipated and opportunities for additional funding are being pursued. These areas of overspend are being an offset by slippage in investment of Intermediate Care Bed Funding (£0.330m).
- 5.4 Within Adult Services the £0.224m forecast underspend is driven by vacancies within the Community Mental Health and Learning Disability Teams (£0.121m), along with slippage in the commencement of planned care packages (£0.122m).
- 5.5 Within Management/Commissioned/Other Services the forecast £0.442m underspend is driven by slippage in recruitment both to the Primary Care Resilience Team and to backfill for staff who have transferred to support the Covid Vaccination programme.

- 5.6 PKHSCP Hosted Services are reporting an underspend overall. This is driven by vacancies within Prison Healthcare and Podiatry along with lower than budgeted supplies costs in Podiatry and Public Dental Services. Hosted Services in Dundee and Angus IJBs are forecasting an overall overspend. We are working with Dundee and Angus to better understand and inform the IJB on the financial position going forward.
- 5.7 For Prescribing, the forecast £0.272m underspend is positive and we await further analysis to establish actual price and item growth compared to plan. For General Medical Services /Family Health Services we await similar analysis to determine the key drivers.
- 5.8 The application of PKIJB 2020/21 health under spend reserve is higher than plan. This reserve increased following confirmation of the 2020/21 final out-turn and is now utilised in full. To break-even, £0.833m of the NHS Tayside £1.4m bridging finance reserve is also required.

6. SAVINGS

- 6.1 Approved savings remaining for Health & Social Care total £2.071m. Of this £0.260m is projected to be delivered. Table 4 below sets out the detail of savings slippage anticipated in 2021/22.

Table 4

Description	Approved Savings still to be delivered £m	Amount Projected to be delivered in 2021/22 £m	Shortfall £m
Review of Care Home Placements	0.232	0.232	0.000
Review of Care at Home	0.200	0	0.200
Complex Care Transformation	0.529	0	0.529
Integration of H&SC Teams	0.035	0	0.035
Prepaid Card Scheme	0.040	0	0.040
Sub-Total Social Care	1.036	0.232	0.804
Redesign of Rehabilitation Beds	0.740	0	0.740
Integration of H&SC Teams	0.295	0.028	0.267
Sub-Total Health	1.035	0.028	1.007
Total Health & Social Care	2.071	0.260	1.811

- 6.2 The Review of Contributions Policy saving remains unachieved and is in addition to the above. This saving of £0.708m is being funded by Perth & Kinross Council non-recurringly in 2021/22. Discussions are ongoing within PKC in this respect.

- 6.3 Capacity to deliver the remaining savings in year has been significantly impacted due to Covid-19. Whilst use of reserves and non-recurring support will bridge savings slippage in 2021/22, there is a significant risk that savings cannot be delivered by 1st April 2022 due to ongoing capacity issues.

7. COVID-19 RESPONSE AND REMOBILISATION

- 7.1 The financial impact of PKHSCP's response and remobilisation to the Covid-19 pandemic is routinely reported to Scottish Government through the return of its Local Mobilisation Plan (LMP) templates. These returns detail costs incurred to date and the forecast for the year. These include costs incurred as a consequence of Covid-19. In line with financial update reports provided last year, these costs will be reported separately and are not included in the above forecasts.
- 7.2 The Remobilisation Plan, approved by the IJB in June 2021, set out a high-level estimation of Covid Costs anticipated in 2021/22. This was forecast at £6.894m excluding savings slippage. Since then and based on actual expenditure, a more detailed estimate has been prepared and submitted to the Scottish Government. Across Health and Social Care this totals £8.821m. The main driver of the increase has been a £1.959m increase in forecast provider sustainability costs arising from an extension of Scottish Government guidance.
- 7.3 As shown in Appendix 3, the IJB Covid-19 reserve is £4.547m. The latest projection of £8.821m will require additional Scottish Government funding of £4.247m. At this stage there is confidence that additional costs will be met in full. As with 2020/21, robust financial governance will be applied. All proposed expenditure will be signed off by the Executive Management Team/Gold Command to ensure it is essential and to agree that it is directly related to Covid Response and Remobilisation.
- 7.4 Appendix 2 provides a detailed breakdown of both Social Care and Health forecast 2021/22 Covid Costs in line with the SG Forecast submission. In addition, slippage in savings of £1.811m is included in the SG Forecast Submission. Whilst NHS Boards and HSCP's have been asked to make no assumption at this stage of funding to offset slippage in savings, they have asked that such slippage be included in LMP forecasts since discussion is still ongoing around potential SG funding.

8. RESERVES

- 8.1 As at 1st April 2021 Perth & Kinross IJB had £13.900m of reserves. Appendix 3 sets out the detail of these reserves and the forecast utilisation during 2021/22.

- 8.2 The 2021/22 Budget approved by the IJB in March 2021, allowed a breakeven position for both Health and Social care after the use of general reserves. The budget identified how much of these reserves would be required to secure break-even. The amount required is now projected to change, as summarised in Table 5 below.

Table 5

	Total Reserve £m	Amount Required in Approved Financial Plan £m	Amount forecast as now required £m	Forecast Balance of Reserve Remaining £m
PKIJB Reserve- Health Under spend 2020/21	0.961	0.345	0.961	0
PKIJB Reserve -NHST Bridging Funding	1.400	1.400	0.833	0.567
Social Care IJB 2020/21 Underspend	2.963	1.738	0	2.963
Total	5.324	3.483	1.794	3.530

- 8.3 Over and above this, the majority of reserves are at this stage expected to be utilised by the year end with some exceptions as set out in Appendix 3. However, there is a risk that Covid Response and Remobilisation will continue to impact on the capacity of service leads to deliver transformation in the planned timescales and slippage in spend in a number of areas may result. This is being kept under monthly review by the Executive Management Team.

9. KEY FINANCIAL RISKS

- 9.1 Several risks that have been considered in finalising this expenditure forecast. These risks may increase or decrease over the year, affecting the financial position. A summary of potential and emerging risk is provided below:

Risk	Potential extent of Financial Exposure	Comments
Additional SG Covid Funding is not available for costs exceeding reserves held.	£4.5m	Quarter 1 SG Covid Forecast less available 2021/22 Covid Reserves
Workforce shortages lead to unprecedented bank/agency staffing costs to maintain safe services.	£0.5m	25% increase in of current 2021/22 forecast spend on supplementary staffing.
District Nursing Regrading backdated pay extension.	£0.1m	Potential additional backdated pay costs if further backdated.
Medical and Dental Pay Award in	£0.1m	Risk of an increased pay settlement

excess of Financial Planning assumption.		not being funded.
A return of funding is requested by NHS Tayside to support the IP Mental Health 2021/22 Forecast Overspend.	£0.8m	A review of the balance of funding and cost across Mental Health Services is being progressed by the NHS Tayside Director of Finance.

10. CONCLUSION

- 10.1 The overall projected out-turn after the application of reserves is a £0.236m under spend.
- 10.2 A number of potential risks have been identified and require to be monitored closely and mitigating action taken as necessary to ensure that break-even can delivered.

Jane M Smith
Head of Finance & Corporate Services

Appendices

Appendix 1 - Summary Financial Position
Appendix 2 – Covid-19 Response & Remobilisation Costs
Appendix 3 - IJB Reserves

Appendix 1

P&K Position as at end July 2021

	NHS Directed Services		Social Care		Health & Social Care Partnership	
	Budget £'000	Total Projected Out- turn Over / (Under) £'000	Budget £'000	Total Projected Out-turn Over / (Under) £'000	Budget £'000	Total Projected Out-turn Over / (Under) £'000
Older People Services	26,798	168	45,112	(618)	71,910	(450)
Adult Services	5,339	(224)	26,453	266	31,792	42
Other Community Services			4,777	116	4,777	116
Management/Commissioned/Other	23,606	(442)	(15,090)	(804)	8,516	(1,246)
Undelivered Savings	(1,007)	1,007	(804)	804	(1,811)	1,811
Budget Deficit	(1,229)	1,348	0	0	(1,229)	1,348
Sub-Total Hospital & Community Health	53,507	1,857	60,448	(236)	113,955	1,621
Hosted Services						
(incl. Dundee/Angus Transfers Out and In)	14,662	70			14,662	70
GP Prescribing/Other FHS	27,434	(272)			27,434	(272)
General Medical Services/ Family Health Services	47,533	139			47,533	139
Sub -Total PKHSCP	143,136	1,794	60,448	(236)	203,584	1,558
2020/21 Underspend Reserve		(961)		0		(961)
NHST Funding Reserve		(833)		0		(833)
Total PKHSCP	143,136	0	60,448	(236)	203,584	(236)

Appendix 2

Covid-19 Response & Remobilisation Costs (as Forecast at Quarter 1)

Social Care Forecast Covid-19 Costs 2021/22	Total 2021/22 £
Social Care Provider Sustainability	3,159,000
Additional Capacity in the Community	862,000
Adult Social Care	439,000
Additional Staff Costs	202,000
Additional PPE	200,000
Loss of Income	116,000
Reducing Delayed Discharge	53,000
Other areas	50,000
Covid-19 Vaccination	37,000
Digital & IT Costs	20,000
Total (excluding unachieved savings)	5,138,000

Health Forecast Covid Costs 2021/22	Total 2021/22 £
Primary Care	1,209,000
Additional Bed Capacity	625,000
Additional Staff Costs	595,000
Covid-19 Vaccination	375,000
Reducing Delayed Discharge	358,000
Additional Prescribing	166,000
Prison Healthcare	126,000
Dundee Hosted Services	81,000
Additional FHS Contractor Costs	80,000
Digital/IT	48,000
Additional Equipment/Maintenance	20,000
Total (excluding Savings)	3,683,000

APPENDIX 3 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£4m).

As at March 2021, the IJB's Annual Accounts showed that Perth & Kinross IJB had £13.900m of earmarked reserves.

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

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

	Balance as at 1 April 2021	Increase / (Decrease)	Balance as at 31 March 2022	Position	Update
	£000	£000	£000		
Primary Care Improvement Fund	1,674	(837)	837	Earmarked to Fund SG Priorities	Delay in recruitment due to Pandemic
Mental Health Action 15 Fund	171	(171)	0	Fully Earmarked to Fund SG Priorities	
Primary Care Transformation Fund	328	(164)	164	Earmarked to fund Local Priorities	Other sources of funds have become available so alternative plans for use of reserve being developed.
Alcohol and Drug Partnership Fund	522	(522)	0	Fully Earmarked to Fund SG Priorities	
Partnership Transformation Fund	408	(308)	100	Earmarked to Fund Local Priorities	Delays in organisational restructure leading to slippage in planned spend.
GP Premises Improvement Fund	64	(64)	0	Fully Earmarked to Fund SG Priorities	
Community Living Change Fund	505	(170)	335	Earmarked to Fund SG Priorities	3 Year Fund
Winter Planning Fund	188	(188)	0	Fully Earmarked to fund local and SG priorities	
District Nursing Fund	61	(61)	0	Fully Earmarked to Fund SG Priorities	
Reduce Drugs Death Fund	67	(67)	0	Fully Earmarked to Fund SG Priorities	
Drugs Death Task Force	78	(78)	0	Fully Earmarked to Fund SG Priorities	

COVID 19 Fund	4,547	(4,547)	0	Fully Earmarked to fund Covid-19 costs	
Health Reserves Fund (NHS Tayside)	1,400	(833)	567	Partially Earmarked to deliver financial balance	Not all required to deliver financial balance based on current forecast. Alternative use may be considered by NHST. However may be required to offset NHST IP Mental Health Overspend
20/21 Health Operational Underspend	961	(961)	0	Fully Earmarked to deliver financial balance	
20/21 Social Care Operational Underspend	2,926	0	2,926		Not currently required to support in year financial position as planned. Invest to Save proposals being developed.
Total	13,900	(8,971)	4,929		

SG = Scottish Government



AUDIT & PERFORMANCE COMMITTEE

13TH SEPTEMBER 2021

KEY STRATEGIC PERFORMANCE INDICATOR UPDATE REPORT FOR THE PERIOD TO JUNE 2021 (OR LATEST AVAILABLE)

Report by the Chief Officer (Report No. G/21/106)

PURPOSE OF REPORT

The purpose of this report is to update the Audit & Performance Committee on performance against the core set of integration performance indicators for the period to 30 June 2021 (or latest available).

1. RECOMMENDATION(S)

It is recommended that the IJB Audit & Performance Committee:

- Notes the Health and Social Care Partnership's (HSCP) performance to date.

2. SITUATION / BACKGROUND / MAIN ISSUES

On the 2 August 2021 the Audit and Performance Committee approved the IJB's Annual Performance Report for 2020/21 which covered the period to 31 March 2021. This report is the first update to the Committee in relation to performance against the core set of indicators in 2021/22. Appendix 1 contains a detailed performance table with the relevant comparisons.

Further performance updates will be brought to the Audit Performance Committee as follows, using the latest available data at each stage:

- 13th December 2021 – 6 Monthly performance update including broader narrative on achievements to date.
- - 7th March 2022 – Quarter 3 performance update largely focussed on the core indicator set.

3. OVERVIEW

When compared to 2020/21, of the 7 indicators for which data exists, 4 are within the target range, 2 are over 3% out with target and 1 is over 6% out with the target.

Compared to Scotland, there are currently only 6 indicators for which data exists, 4 are within target and 2 are beyond 6% from the target range. As reported previously we are keen to develop further comparators via benchmarking family groups and work in this regard in being taken forward.

Indicators which are out with target when compared to performance in 2020/21:

- 1) NI12 – Rate of emergency admissions per 100,000 population for adults.
Performance against this indicator is currently down 3.72% from that achieved in 2020/21 however performance still remains higher than that seen in previous reporting years. Within this reporting year our performance remains higher than Scotland by 3.52%.
- 2) NI19 – Number of days people spend in hospital when they are ready to be discharged per 1000 population.
Performance against this indicator is 3.7% below that achieved in 2020/21. Performance remains significantly above historical levels and notably 165.92% above Scotland.
- 3) MSG 3 – A&E attendances per 100,000 population
Similar to those indicators referenced above performance against this indicator is now below that achieved in 2020/21; in this instance 6.67% below. Performance is still well above that achieved in previous years. No comparative data is available for Scotland overall.

Indicators which are out with target when compared to Scotland within the current reporting year:

- 4) NI14 – Emergency readmissions to hospital within 28 days of discharge per 1000 discharges

This indicator has been investigated thoroughly in recent months and was the subject of a separate report to the Audit and Performance Committee. Performance comparisons to Scotland are not representative due to variances in recording practices.

Comparing to our own previous performance however shows that this indicator is within the target range with an improvement of 2.97% from 2020/21.

- 5) NI 16 – Rate per 1000 population of falls that occur in the population (65+) who are admitted as an emergency to hospital.

Performance against this indicator is broadly stable when compared to 2020/21 however is 7.84% below Scotland overall.

Work is currently being undertaken to investigate the pattern of falls within Perth and Kinross so that we can gain a better understanding of where falls are occurring and the extent to which those people that have had a fall are in receipt of Health and Social Care support. The outcome of this investigation will be reported to the Audit and Performance Committee on completion.

Analysis of performance continues to be required to be interpreted bearing in mind the extraordinary pressures of the COVID-19 pandemic. In 2020/21 there was significant variance in demand for services as well as large scale investment in community based services.

Where large positive gains were made last year it may be challenging to maintain that level of 2020/21 performance as services continue to remobilise from the pandemic with rising demands from patients and service users with more complex presentations. It has not yet been possible to update the table to include movement in performance across Scotland, as now included in the APR. This will however be done for future reports.

Our work to develop wider performance reporting over 2021/22 is as follows:-

- Hosted Services: We are engaging with Tayside HSCP colleagues to systemise the process around the routine sharing of performance reporting in relation to Hosted Services. We have created a standard template approach which we will share and develop further with colleagues across Tayside to assist with this approach.
- Performance Framework: As we develop our local strategies for the delivery of core Health and Social Care services we are ensuring that performance management and reporting forms an integral part of the approach. This will see the development of specific and relevant performance indicators for each strategy.
- Patient/Service User/Carer feedback: We will work to develop a partnership wide approach to gathering feedback to strengthen our understanding of qualitative performance.

These developments will lead to wider reporting of Hosted services performance, and as strategies are developed and approved via the Strategic Planning Group additional performance indicators will be included in our routine reporting to the Audit and Performance Committee.

4. CONCLUSION

Performance at this early stage of the reporting year is generally good. However we continue to investigate where performance appears to be out with target and where performance can be better compared, for example against benchmarking family groups.

Author(s)

Name	Designation	Contact Details
Chris Jolly	Service Manager (Business Planning and Performance)	christopher.jolly@nhs.scot

APPENDICES

1. Perth and Kinross Health and Social Care Partnership, Key Strategic Performance Indicator table (latest available data)

Appendix 1 - Perth Perth and Kinross Health and Social Care Partnership, Key Strategic Performance Indicator table (latest available data)

ID	Indicator	measure	2020/21 Data		Latest data for 2021/22			Comparisons		
			Scotland	Perth & Kinross	Scotland	Perth & Kinross	Period	P&K Movement from APR 20/21	P&K % movement from APR 20/21	P&K compared to Scotland to date
NI-11	Premature Mortality Rate per 100,000	Rolling 12 month rate	na	na	na	na	na	na	na	na
NI-12	Rate of emergency admissions per 100,000 population for adults (18+ all specialities)	Rolling 12 month rate	10,682	10,407	11,174	10,794	May-21	386.99	3.72%	-3.52%
NI-13	Rate of emergency bed day per 100,000 population for adults (18+)	Rolling 12 month rate	99,589	92,772	100,797	93,609	Apr-21	836.73	0.90%	-7.68%
NI-14	Readmissions to hospital within 28 days of discharge per 1,000 discharges (18+)	Rolling 12 month rate	112	129	111	125	Apr-21	-3.83	-2.97%	11.63%
NI-15	Proportion of last 6 months of life spent at home or in a community setting	Rolling 12 month rate	90.38%	90.36%	90.38%	90.95%	May-21	0.60%	0.60%	0.57%
NI-16	Falls rate per 1,000 population (65+)	Rolling 12 month rate	21.67	24.00	22.02	23.89	May-21	-0.11	-0.47%	7.84%
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
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
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	488	199	550	207	Jun-21	7.38	3.70%	-165.92%
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
MSG 3	A&E attendances per 100,000 population	Rolling 12 month rate	na	13,960	na	14,890	May-21	930.57	6.67%	na
Data is 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

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
--------------	---	--------------	--	------------	---



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

13 SEPTEMBER 2021

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer (G/21/107)

PURPOSE OF REPORT

The purpose of this report is to:

- Provide an update on the Integration Joint Board (IJB) Strategic Risk Register;
- Provide an update on the progress of the improvement actions being taken to improve the overall control environment and further mitigate the risks;
- To update on new or emerging risks and material changes to existing risks.

1. BACKGROUND

- 1.1 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 Audit and Performance Committee has delegated responsibility from the IJB for reviewing the adequacy and effectiveness of the systems and process in place to manage strategic risk.
- 1.2 The Strategic Risk Register is supported by a Strategic Risk Improvement Plan. This has been developed to improve either the range of controls in place or to improve the effectiveness of existing controls.
- 1.3 Perth & Kinross Health and Social Care Partnership's Executive Management Team (EMT) routinely monitors, reviews and provides a balanced assessment of the nature and extent of the strategic risks to which the IJB is exposed in pursuit of its strategic objectives. As part of this EMT regularly review Operational Risks across PKHSCP to determine whether escalation is required to Strategic Risk level. This includes Clinical and Care Risks.

2. ASSESSMENT

- 2.1 The Strategic Risk Register now comprises of 14 risks following the addition of a new risk SR14 (See Section 3 below).

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

2.3 Risk owners have reviewed progress against noted improvement actions no changes are proposed to the previous risk scores as reported to the last Committee meeting. The following summary provides a justification for retaining risk scores at their previous level.

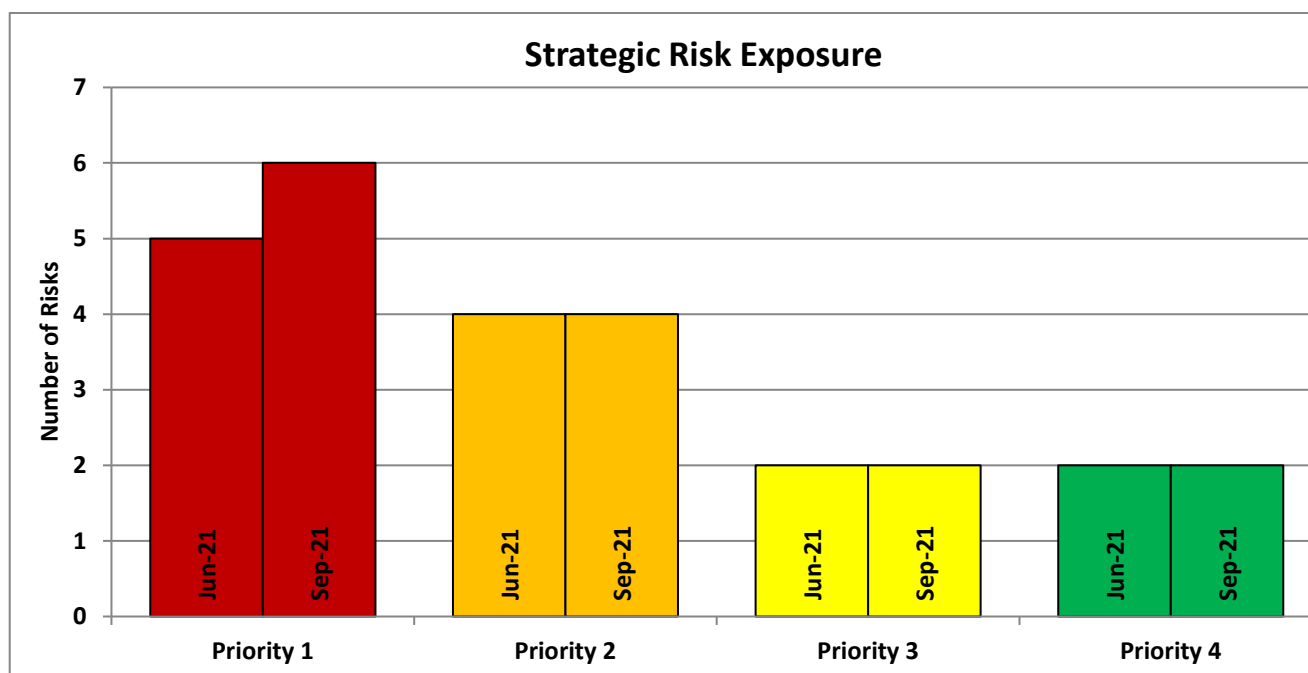
Table 1

Risk	Impact	Probability	June 2021 Score	Justification	Impact	Probability	Sept 2021 Score	Change
SR01 Financial Resources	5	4	20	Existing controls continue to function as effectively as possible and progress is being made in respect to identified improvement actions but they are not complete. A new improvement action (1c) has been added to the action plan. No change to risk score at present.	5	4	20	↔
SR02 Workforce	5	4	20	The development of a 3 year workforce plan is progressing with the Workforce Planning Group having reconvened and an NHST template being submitted in advance of a review meeting in September. Additional support is also being sought from Partners as well as additional capacity being brought in by PKHSCP. Whilst progress has been made in respect to improvement actions there is no change to risk exposure at this time.	5	4	20	↔
SR03 Safe Working	4	4	16	No change to risk at present proposed whilst the production of an accommodation strategy progresses to ensure the infrastructure can be put in place.	4	4	16	↔
SR04 Sustainable Capacity and Flow	5	4	20	The Contingency Group continues to meet weekly to progress the action plan under the direction of the Head of Health and Clinical Director. However no change to risk exposure for now.	5	4	20	↔
SR05 Sustainable Digital Solutions	4	3	12	No change to risk scores as improvement actions are still in progress.	4	3	12	↔
SR06 Viability of External Providers	4	2	8	The impact of staffing turnover remains a concern and is continually monitored and mitigating actions undertaken when possible. No change proposed to risk exposure.	4	2	8	↔
SR07 Insufficient Preparedness for Future COVID-19 (or other pandemic) Pressures	5	1	5	This risk will be reviewed by EMT in November 2021 where archiving this risk will be considered.	5	1	5	↔
SR08 Widening Health Inequalities	3	4	12	Some progress made in early in planning for improved working with Community Planning Partners; However the risk score remains unchanged as this has not yet been progressed to completion.	3	4	12	↔
SR09 Leadership Team Capacity	4	3	12	Progress has been made in respect to reviewing the HSCP management structure in respect to Planning and Performance capacity, but this is not yet complete. No change to risk score at present.	4	3	12	↔
SR10 Corporate Support	4	3	12	The HSCP structure review by the Chief Officer is still in progress therefore no changes to the risk score.	4	3	12	↔
SR11 Primary Care	4	4	16	EMT considering next steps following presentation of Primary Care sustainability survey. No change to risk exposure.	4	4	16	↔
SR12 EU Withdrawal	4	1	4	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. This risk will be reviewed by EMT in November 2021 where archiving this risk will be considered.	4	1	4	↔

Risk	Impact	Probability	June 2021 Score	Justification	Impact	Probability	Sept 2021 Score	Change
SR13 Inpatient Mental Health Services	3	3	9	Improvement actions remain ongoing. No change to risk exposure.	3	3	9	↔
SR14 Partnership Premises	-	-	-	New Strategic Risk	4	4	16	-
<div> <div>↔ No change in risk exposure</div> <div>↑ Increase in risk exposure</div> <div>↓ Decrease in risk exposure</div> </div>								

- 2.4 Table 2 below shows the Strategic Risk Exposure at the last Committee meeting and today's meeting including the new strategic risk as detailed at section 4 which adds an additional Priority 1 Risk:

Table 2



3. NEW/EMERGENT RISKS

- 3.1 At their meeting on 22nd July 2021 the Executive Management Team identified that operational risks in relation to Premises should be escalated for inclusion in the Strategic Risk Register. EMT recognised a range of issues in relation to premises such as services being at significant risk of displacement at short notice and/or operating from inappropriate locations/facilities. This risk has now been incorporated in the Strategic Risk Register (SR14).
- 3.2 Improvement actions have been identified so far in relation to this new risk and are included in the improvement action plan attached at Appendix 2.

4. STRATEGIC RISK IMPROVEMENT ACTION PLAN

- 4.1 The Strategic Risk Improvement Plan sets out the actions being taken to improve the overall control environment and where possible reduce current levels of risk exposure.
- 4.2 This has been updated and is attached at Appendix 2.

5. IJB DEVELOPMENT SESSION ON STRATEGIC RISK

- 5.1 A development session was held on 25th August 2021 and a number of areas for further discussion and development are being taken forward, including items below:
- Review of Strategic Risks through both an operational (PKHSCP) and a Strategic(IJB) lens;
 - Consideration of an effective and transparent basis on which to escalate and report on operational Clinical Care Governance Risks which may have an impact on delivery of IJB Strategic Objectives. A paper to come forward with proposals to the IJB in September;
 - Further development session on Risk Appetite.

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.

7. RECOMMENDATIONS

The Audit and Performance Committee is asked to:

- Note the IJB's Strategic Risk Register and Strategic Risk Improvement Plan.
- Note the current position of the IJB's strategic risk exposure scores as at section 2.
- Note the inclusion of the new Strategic Risk in relation to Partnership Premises as detailed in section 3.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Head of Finance & Corporate Services	jane.smith@nhs.scot

Appendices

Appendix 1 – Perth & Kinross IJB Strategic Risk Register
Appendix 2 – Strategic Risk Improvement Action Plan



Perth & Kinross Health and Social Care Partnership Strategic Risk Register

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 to 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	↔
SR14	<u>PARTNERSHIP PREMISES:</u> Due to a lack of sustainable and suitable premises within which Health and Social Care Services can be delivered, there is a risk that services will be displaced without appropriate alternative accommodation having been developed or identified, resulting in a reduction in service capacity, reduced outcomes of patients and service users and a reduction in staff wellbeing.	Chief Officer	16	↔
<div> <div><> No change in risk exposure</div> <div>↑ Increase in risk exposure</div> <div>↓ Decrease in risk exposure</div> </div>				

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: 19 Aug 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: 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)
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. However progress may be impacted by the ongoing demands of the Pandemic.

The Financial Risk Sharing arrangement currently in place between NHS Tayside and Perth & Kinross Council has lead to very separate considerations of the financial sustainability of PKIJB by each partner separately rather than collectively and the current review of Integration Schemes across Tayside provides the opportunity to move this forward

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: 19 Aug 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
- HSCP 1 year 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 in place for areas experiencing acute shortages.

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: 19 Aug 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: (↑, ↔, ↓)

↔ **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
5	5	4	4		Probability					
Inherent Score: 25		Residual Score: 16								

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.
- PKHSCP Gold Command re-established.

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.

As 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 remains an extreme risk to the delivery of our strategic aims.

The Partnership continues to engage with statutory partners to maintain control effectiveness and to progress a sustainable approach ensuring sufficient and appropriate premises and infrastructure are in place.

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: 19 Aug 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: (↑, ↔, ↓)

↔ 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
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.
- PKHSCP Gold Command re-established.

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.

A contingency plan is in place as are new procedures to ensure the appropriate and best use of senior clinical leadership capacity.

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: 22 July 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.
- Governance framework for the delivery of the digital strategy across the Partnership in place.

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 and clear timelines for the delivery of the other actions in place.

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: 19 Aug 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 3

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
5	5	4	2		Probability					
Inherent Score: 25		Residual Score: 8								

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: (↑, ↔, ↓)

↔ **NO CHANGE 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
5	5	5	1				Very Low	Low	Medium	High	Very High
Inherent Score: 25		Residual Score: 5				Probability					

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: 22 July 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.

Some progress made in planning for improved working with Community Planning Partners on how we can determine how best to reduce inequalities. However the proposed risk score remains unchanged as this has not yet been progressed to completion.

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: 22 July 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: (↑, ↔, ↓)

↔ **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
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: 22 July 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: (↑, ↔, ↓)

↔ **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:

- 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: 19 Aug 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)			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
4	4	4	4				Very Low	Low	Medium	High	Very High
Inherent Score: 16		Residual Score: 16				Probability					

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: (↑, ↔, ↓)

↔ NO CHANGE 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. The risk will continue to be monitored over the coming months to ensure the exposure remains the same.

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: 19 Aug 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

SR14: PARTNERSHIP PREMISES

Risk Owner: Chief Officer

Date Added to Register: 22 Jul 2021

Review Date: 19 Aug 2021

Frequency of Review: 4 weekly

Description of Risk: Due to a lack of sustainable and suitable premises within which Health and Social Care Services can be delivered, there is a risk that services will be displaced without appropriate alternative accommodation having been developed or identified, resulting in a reduction in service capacity, reduced outcomes of patients and service users and a reduction in staff wellbeing.

Risk Related to Achievement of Strategic Aim:

1. Working together with our communities
2. Prevention and Early Intervention
3. 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: 20		Residual Score: 16			Probability					

Existing Controls:

- Corporate support arrangements provided by HSCP Statutory Partners who support the delivery of accommodation needs.
- HSCP membership of Statutory Partner Capital Asset Groups.
- HSCP representation on PKC office/accommodation group.
- Formal and informal lease agreements/arrangements for current Partnership premises in place
- HSCP involvement in options' appraisal for Beechgrove site.

Risk Overview:

There are a range of accommodation issues in respect to HSCP services which taken together combine to create this strategic risk. The issues affect a range of services and relate to the following:

- Services at risk of displaced from their current location.
- Services operating from premises which are sub-optimal in design or size.
- Services located inconveniently for patients and service users.

Actions to mitigate this emerging risk are being considered as a matter of urgency. In particular the need for a premises and infrastructure plan to support our established and future models of services delivery has been identified. We are seeking to appoint an appropriate professional on a consultancy basis to progress this urgent piece of work.

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

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	Head of Finance and Corporate Services	25 (5x5) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) RED				
SR02	Workforce	Heads of Service	25 (5x5) RED	20 (5x4) RED	20 (5x4) RED	20 (5x4) 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	16 (4x4) RED	16 (4x4) RED	16 (4x4) RED				
SR04	Sustainable Capacity And Flow	Head of Health	20 (5x5) RED	15 (5X3) AMBER	15 (5X3) AMBER	15 (5X3) AMBER	20 (5X4) RED	20 (5X4) RED	20 (5X4) RED	20 (5X4) RED				
SR05	Sustainable Digital Solutions	Interim Head of Adult Social Care (Commissioning)	20 (5x4) RED	12 (4X3) AMBER	12 (4X3) AMBER	12 (4X3) AMBER	12 (4X3) AMBER	12 (4X3) AMBER	12 (4X3) AMBER	12 (4X3) AMBER				
SR06	Viability Of External Providers	Interim Head of Adult Social Care (Commissioning)	25 (5x5) RED	15 (5X3) AMBER	15 (5X3) AMBER	15 (5X3) AMBER	8 (4x2) YELLOW	8 (4x2) YELLOW	8 (4x2) YELLOW	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	5 (5x1) GREEN	5 (5x1) GREEN	5 (5x1) GREEN				
SR08	Widening Health Inequalities	Chief Officer	20 (4x5) RED	12 (3X4) AMBER	12 (3X4) AMBER	12 (3X4) AMBER	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	12 (4x3) AMBER	12 (4x3) AMBER	12 (4x3) AMBER				
SR10	Corporate Support	Head of Finance and Corporate Services	20 (5x4) RED	16 (4X4) RED	16 (4X4) RED	16 (4X4) RED	12 (4x3) AMBER	12 (4x3) AMBER	12 (4x3) AMBER	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	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	4 (4x1) GREEN	4 (4x1) GREEN	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	9 (3x3) YELLOW	9 (3x3) YELLOW	9 (3x3) YELLOW				
SR14	Partnership Premises	Chief Officer	20 (4x5) RED						16 (4x4) RED	16 (4x4) RED				

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
	Major	4	8	12	16
	Moderate	3	6	9	12
	Minor	2	4	6	8
	Insignificant	1	2	3	4
		Very Low / Very remote	Low / Remote	Medium / Possible	High / Probable
Probability					
					Very High / Almost Certain

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



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	REVIEW DATE	MOVEMENT
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/CEs of PKC & NHST	Part Complete / In Progress	31/10/21	Improve existing control	Amber	19/08/2021	↔
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 fundina.	Heads of Service	In Progress	31/03/22	New Control	Amber	19/08/2021	↓
1c	Agree risk sharing arrangements between statutory partners.	Head of Finance & Corporate Services	In Progress	31/03/22	New Control	Amber	19/08/2021	-
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	19/08/2021	↔
2b	See 4b below.	Heads of Service	In Progress	31/10/21	New Control	Green	19/08/2021	↔
2d	Development of 3 year 2022/25 PKHSCP Workforce Plan	Chief Officer	In Progress	31/03/22	Improve existing control	Green	19/08/2021	↔
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	Produce a Perth & Kinross HSCP Accommodation Strategy to address infrastructure needs across the organisation for the short, medium and long term to ensure that capacity and demand can be managed safely and in accordance with the achievement of our Strategic ambitions	Heads of Service	In Progress	30/09/21	New Control	Green	19/08/2021	↔
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	19/08/2021	↔
4b	Work in collaboration with Acute Mental Health Services to support and to make best use of available senior clinical leadership.	Heads of Service	In Progress	31/10/21	New Control	Green	19/08/2021	↔
4c	Development of 3 Year Strategic Delivery Plan for Older People's Services. This will seek to address issues that demographic growth presents and ensure capacity across the system is sufficiently robust.	Heads of Service	In Progress	31/03/22	New Control	Amber	19/08/2021	↓
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.								
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	22/07/2021	↔
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	22/07/2021	↔
5d	Develop Business Case and 3 year plan to transition from analogue to digital solutions for telehealth/telecare.	TEC/Digital Strategy Group	In Progress	31/05/24	New Control	Green	22/07/2021	↔
SR08 - WIDENING HEALTH INEQUALITIES: As a consequence of COVID-19 there is a risk that health inequalities widen significantly.								
8a	Work with 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	22/07/2021	↔
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	22/07/2021	↔
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	22/07/2021	↔
9b	Implementation of PKHSCP Management Structure Review.	Chief Officer	Not started	31/03/22	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	22/07/2021	↔
10b	See 9b above.	Chief Officer	Not started	31/03/22	Improve existing controls	Green	-	-
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.								

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	REVIEW DATE	MOVEMENT
11a	Produce a Perth and Kinross Primary Care Premises Strategy which identifies our premises needs for the short, medium and long term.	Clinical Director	In Progress	30/06/22	Improve existing controls	Green	19/08/2021	↔
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	31/03/22	New Control	Amber	19/08/2021	↓

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	19/08/2021	↔
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	Amber	19/08/2021	↔

SR14 - PARTNERSHIP PREMISES: Due to a lack of sustainable and suitable premises within which Health and Social Care Services can be delivered, there is a risk that services will be displaced without appropriate alternative accommodation having been developed or identified, resulting in a reduction in service capacity, reduced outcomes of patients and service users and a reduction in staff wellbeing.								
14a	Appropriate and suitably skilled staff to be allocated from Partners to strengthen and stabilise existing arrangements and/or source suitable alternatives.	Heads of Service	In Progress	30/09/21	Improve existing controls	Green	19/08/2021	-
14b	Produce a Perth & Kinross HSCP Accommodation Strategy to address infrastructure needs across the organisation for the medium and long term to ensure that capacity and demand can be managed safely and in accordance with the achievement of our Strategic ambitions	Chief Officer	In Progress	30/09/21	New Control	Green	19/08/2021	-

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.								
2c	Development of 2021/22 Interim PKHSCP Workforce Plan	Heads of Service	Complete	30/04/21	Improve existing control	Blue	-	-

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	-	-

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	-	-



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

13 SEPTEMBER 2021

PARTNERSHIP IMPROVEMENT PLAN - UPDATE

Report by Chief Officer/Director – Integrated Health & Social Care (G/21/108)

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.

2. BACKGROUND

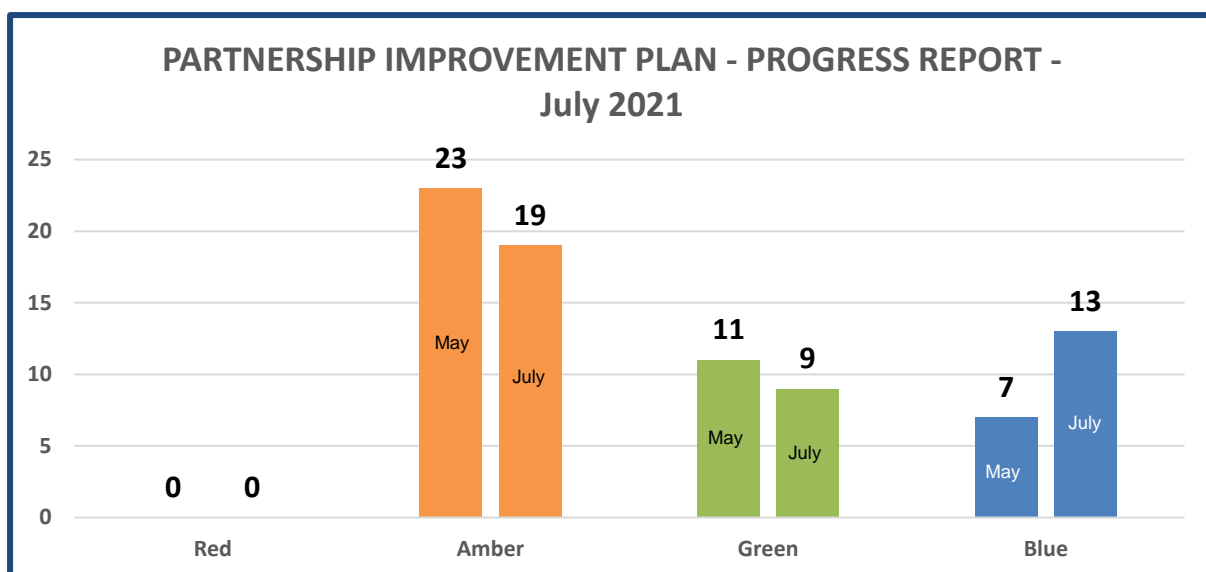
The Partnership Improvement Plan consolidates all improvement actions/recommendations arising from:

- i) the IJB's Annual Review of Governance;
- ii) the Ministerial Strategic Group Review of Integration of Health and Social Care, and;
- iii) the Healthcare Improvement Scotland/Care Inspectorate Joint Inspection (Adults).

Regular updates are provided to the Audit & Performance Committee on progress achieved against actions over the previous quarter.

3. PROGRESS UPDATE

Notwithstanding the continuing challenges of the pandemic, progress has been made across several areas. The table below shows the movement in RAG status from the last update as of May 2021 to July 2021:



Progress during this quarter includes:

- The Terms of Reference for the Communication & Engagement Group have been refreshed and the membership is being reviewed. Meetings are diarised to align with Strategic Planning Group meetings.
- Work is continuing in further developing performance management reporting, with additional resources being recruited to support this and ensure ongoing sustainability.
- There is now regular, systematic review and reprioritisation of programme and project management resources across the partnership's priorities.
- Regular joint finance meetings are now being held with key stakeholders.
- Locality Participation and Engagement Plans are in place, overseen by Locality Management Groups. Whilst these will be considered by the Strategic Planning Group, regular locality updates are also considered by the Audit & Performance Committee.
- Health & Safety is on the agenda for Locality Governance meetings and the Integrated Management Team. Further to this, integrated Health & Safety meetings are held bi-monthly and reported back through the partners relevant forums.

Unfortunately progress in developing our 3-year Strategic Delivery and Financial Plans is progressing slower than we would wish due to the impact of the pandemic on capacity of officers. Also the publication of our Market Facilitation Plan has been delayed slightly, this will now be in September.

It should be noted that the wording of IP16 has been changed to reference Strategy Groups and the Strategic Planning Group reflecting the change in governance arrangements that are now in place.

Given the work is underway to develop the 3-year Workforce Plan which will incorporate organisational development and impact of technology, IP22 has been merged into one overarching improvement action.

The recent Internal Audit review included a recommendation that a key defining the Priority and RAG statuses should be added. Following discussion at PKHSCP Executive Management Team, these have been defined as follows:

RAG:

Red – not on track with major issues
Amber – not on track with minor issues
Green – on track
Blue – complete

Priority Level:

1 – Critical
2 – Necessary
3 – Dependent on partners

The plan has been reviewed and updated to reflect these definitions. Internal Audit have concluded that these are satisfactory and marked the action as complete.

4. CONCLUSION

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

Author(s)

Name	Designation	Contact Details
Jane Smith	Head of Finance & Corporate Services	Jane.smith@nhs.scot



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

Priority Level:

1 – Critical

2 – Necessary

3 – Depender

IP No.	RO	Action	Update - July21	Update - May21
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.	Project Team continues to progress the review of the Integration Scheme and now has identified NHS Tayside participants to support this process. IJB Members have received an Induction Guide, opportunities to attend induction sessions and regular Development Sessions to support their understanding of their role and effectiveness.	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.
IP02	CO	Review of PKHSCP organisational structure and overall senior leadership capacity	Discussion with EMT has resulted in some proposals being brought forward on a new structure. The Chief Officer is working on a formal proposal and this will be costed. It will then be presented formally to the Project Team (comprising Staff Side and HR) and into the necessary processes to adhere to both statutory partners' Organisational Change policies.	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.
IP03	CO	Implement a Leadership Development Program focused on Collaborative Practice	No further update/progress.	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.
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	IJB Members have received an Induction Guide, opportunities to attend induction sessions and regular Development Sessions to support their understanding of their role and effectiveness. Development meetings have been scheduled over August 2021 between the Chair/Vice Chair and Members to identify individual development needs. In parallel, External Audit committee training is being provided to a number of IJB Members.	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.
IP05	Chair	Programme Annual Development Meetings between the Chair and Members	Dates will be scheduled after the PKC Elected Member recess across August and September 2021	Annual Development Meetings have been set up with the Chair and members over the summer period
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	The Communication, Engagement and Participation Group Terms of Reference have been refreshed and the membership is currently being reviewed. These meetings will be held every eight weeks and after the first scheduled meeting in Septemeber be timed to occur before the Strategic Planning Group. The existing strategy is fit for purpose and will be used to support the work of the Communication group.	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.
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.	As above - likely to require additional resource, Communication Group will scope out requirements.	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.

IP No.	RO	Action	Update - July21	Update - May21
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	<p>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.</p> <p>These plans will come to the Strategic Planning Group and will contribute to the group's ability to review current strategic delivery and developments as well as the formation of our Strategic Commissioning Plan.</p> <p>High level locality updates are included in the Audit & Performance Committee's Annual Workplan.</p>	<p>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.</p> <p>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.</p> <p>The Communication, Engagement and Participation TOR will be reviewed and meetings recommenced.</p>
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. EMT are scheduled to take time in early January 2022 to agree and develop the contents for the session.	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.
IP12	H of ASCSW	We will engage with local communities to co-design future services	There are in existence locality Engagement Plans, leads from each locality will feed into the Communication, Engagement and Participation group on an 8-weekly basis. This work will be linked to that of the Community Planning Partnership and a coordinated approach as to how we communicate with Communities will be adopted.	<p>Stronger Communities networks held over the last year has enabled local community organisations and individuals to share information and coordinate responses.</p> <p>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.</p> <p>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</p>
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.	Draft Market Facilitation Plan is being presented to the Strategic Planning Group on 31st August 2021	<p>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.</p> <p>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.</p> <p>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.</p>
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 3 (RMP3) is now our Annual Delivery Plan and is being updated and monitored regularly by EMT and IMT. It has been formally presented to the IJB for their scrutiny and assurance. The key actions in the RMP have been aligned to our Strategic Commissioning Plan priorities and reflect that our ambitions remain the same, but the journey of travel has adapted to ensure we are responding to the demands of the pandemic.	<p>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.</p> <p>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.</p>

IP No.	RO	Action	Update - July21	Update - May21
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.	Each indicator in the Performance Report to EMT now has an identified lead. Regular meetings are being arranged with the leads to discuss past and current performance and identify any actions required re future performance. The operational performance reporting for localities trialed in Perth City has now been rolled out across all localities for ASWSC. Improvement performance work ongoing for Tay Ward and commenced for Ward 1 Frailty PRI. Deep Dive in to Delayed Discharge performance and new approaches presented to EMT with agreement to look further at reasons for delays by nominated teams. Awaiting a step up increase in resources to support locality performance data to ensure ongoing sustainability.	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 trialed 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.
IP16	H of ASCSW	How effective are our Strategy Groups? : Building on our Strategy Groups, 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 Group which provides a balanced focus on all priorities and a mechanism for systematic review and monitoring using SMART principles	The first SPG was held in June with excellent representation from across all sectors, and strategy group/portfolio representation, the next meeting is scheduled for August 2021. All service users groups have an established strategy group, all have varying representation and Terms of Reference (TOR). Work is underway to develop a TOR that is applicable across the Strategy groups and to ensure the membership of all groups is more standardised.	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
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.	Robust stakeholder engagement is vital, not only after a strategy has been developed but in its creation; co-production of services is key to shifting the balance of power and ensuring our services are truly meeting the needs of our population. Empowering communities and user groups to be active partners in service design will only be meaningful if the appropriate stakeholders are represented in all of the appropriate groups. The Strategic Planning Group has overall responsibility for stakeholder engagement but its membership needs to link back to the various organisations and groups that they represent. All Strategy groups should have either user representation or links to user groups, ensuring that all planning and design activity is coproduced and meaningful for those ultimately receiving a service. Review of strategies should take place within these groups, with updates being reported through the governance structure as appropriate. We have the Local Involvement Network (predominantly Learning Disability service user group) and the Carer Reference group but intend on establishing a User Group that is inclusive of all user groups and facilitated by one of our service user representatives.	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.
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.	We have had to moderate our previous ambitions in this regard as a result of the continuing demands of the pandemic in its third wave and to reflect the fact that the NHS remains on an emergency footing meantime. Instead, we are focussing on a number of key programmes, plans and strategies in-year and will only develop outline financial plans for years two and three.	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.
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.	Joint Strategic Needs Assessment is in the early stages of development. The following work will support the development of our Older People Strategy and associated Action Plans: - Multi-disciplinary short life working group formed. - Enagaged LIST and PH. - Community Enagement strategy being developed.	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.
4. DECISION MAKING				

IP No.	RO	Action	Update - July21	Update - May21
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)	The 2021/22 Interim Workforce Plan was endorsed by the IJB at its June 2021 meeting. Very positive formal feedback has been received from the Scottish Government including some areas for further focus within the 3 Year Plan. The membership and Terms of Reference of the PKHSCP Workforce Group has been refreshed and monthly meetings have now been scheduled, chaired by the Chief Officer. Recruitment of 1 WTE Workforce Planning Programme Manager is being undertaken as part of a wider recruitment process. However, the ongoing pandemic reponse will limit capacity of a number of officers to progress the development of the workforce plans. No change is proposed to the RAG status at this stage. It is proposed that the 3 separate recommendations be amalgamated into one for future reporting purposes.	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.
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.	Regular review is undertaken by the Service Manager (Business Planning and Performance) to prioritise existing reources and to increase capacity where required. This should now be marked as complete with a system now in place for regular ongoing review.	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.
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. However it is now recognised that the ongoing pandemic response is limiting the capacity of officers to progress this fully, in particular for Older Peoples Services. The RAG rating has been amended to reflect this.	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.
IP27	H of F&CS	Support NHST to ensure timely agreement of budgets moving forward	Regular meetings continue to take place with both NHST and PKC. This should now be marked as complete .	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.
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	IJB papers for each Committee are reviewed to consider whether or not Directions are required. In the meantime officers are working with Legal colleagues to develop a robust process to ensure that consideration of Directions is automatically included in the preparation of reports by report authors.	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.
IP33	H of ASCSW / H of Health	Ensure that Risk item is on all team agendas.	The Operational Risk Log for ASWSC has been reviewed and updated. It now has the same format as risks recorded in DATIX to enable an HSCP wide Operational Risk Log. The Risk Log is a standing agenda item on the ASWSC Forum agenda. Risks relating to strategies and transformation projects are reviewed regularly wihtin their individual governance arrangements. Health risks reviewed weekly and mitigating actions discussed. Operational risk register reviewed as part of clinical care and professional governance review to NHST.	The Covid Pandemic has lead to a delay in implementing this recommendation. It will now be progressed.
IP34	H of ASCSW / H of Health	Ensure Health and Safety item is on all team agendas	Formal integrated health and safety meeting is held bi-monthly with exception reports received from all teams. Health and Safety actions are reported and noted at NHST H&S Committee. H&S remains on the agenda for Locality Governance meetings, IMT has been restarted and Health and Safety is a standing item on the agenda	The Covid Pandemic has lead to a delay in implementing this recommendation. It will now be progressed.
REQUIRING COLLABORATION WITH STATUTORY PARTNERS				

IP No.	RO	Action	Update - July21	Update - May21
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.	We will review existing commitments and priorities in relation to Older People's Services, informed by the necessary changes and improvements arising from our pandemic response to ensure we can continue to advance service redesign and improvements.	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.
IP23	CO	Seek appropriate levels of Corporate support from Statutory Partners including organisational and workforce development.	No further update	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.
IP25	CO	Improve the effectiveness of the connection of PKHSCP planning with Statutory Body Strategic Planning (Transforming Tayside/ Perth & Kinross Offer)	Given the demands of the pandemic and because it was being reviewed, the Transforming Tayside programme is no longer being progressed and we will look to align with its successor. We remain committed to aligning our work with the PK Offer and the revised Local Outcome Improvement Plan (LOIP) being developed by the Community Planning Partners. We are very keen to take a lead role in respect of the 'health and wellbeing' priority and to support Community Planning Partners to consider and deliver on their contribution towards our strategic priorities.	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.
IP29	H of F&CS	Agree risk sharing arrangements between statutory partners	The Project Group chaired by Vivienne Davidson on behalf of all parties continues to meet on a monthly basis. The NHST Director of Finance is now a member of the group and this is aimed to assist in taking forward a range of issues, particularly the review of financial risk sharing arrangements across Tayside.	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 HSCPs 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.
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.	We have a strong commitment and effective approach to the work of the Care Professional Governance Forum (CPGF) locally and are exploring how to better align its work to our wider performance review and reporting activity. In light of changes in NHST's approach to Clinical Governance, we are reviewing the most effective approach to providing the necessary assurance to the relevant Boards and bodies. We intend to bring forward further proposals to strengthen arrangements. These were discussed at the IJB Development Session on 25th August with a paper to come forward to the IJB at its meeting in September 2021	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 CCPG 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.
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 work will be contingent on identifying capacity and resource within Corporate Services and on the willingness of statutory partners to adopt approaches that reduce duplication. This will continue to be explored through the review of the Integration Scheme and also outwith this process. It is notable that the 'governance light' approach during the pandemic helped release capacity to focus on operational response and mitigating the impact of the pandemic.	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.
IP38	CO	Joint engagement meetings regarding financial sustainability with key stakeholders (PKC Head of Finance, NHST Director of Finance, Chief Executives)	Complete	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.
IP39	CO	Clarify the governance and accountability arrangements in respect of Inpatient Mental Health Services	This remains an important issue which should be addressed by the Review of the Integration Scheme. David Strang's Progress Review highlighted that this should be progressed.	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.
COMPLETED ACTIONS				
IP06		Develop a statement of our vision and values to become front and centre of all IJB activities moving forward <u>(combined with strategic plan see 14)</u>	n/a	n/a
IP28		Reach agreement with NHST on refreshed finance support arrangements for IPMH	n/a	n/a
IP30		Corporate Support: Development of new structure under CFO to ensure sufficient capacity.	n/a	n/a

IP No.	RO	Action	Update - July21	Update - May21
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
IP08	CO	Review IJB membership ensuring that all sectors are adequately and appropriately represented including the independent sector	n/a	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

5:

/

nt on Partners

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

Revised Priority Level as at July21	Priority Level	Date for Completion as at July21	Date for Completion as at May21	RAG as at July21	RAG as at May21
2	1	31 March 2022	31 March 2022	Green	Green
1	3	31 March 2022	31 March 2022	Amber	Amber
2	2	31 March 2022	31 March 2022	Amber	Amber
1	1	30 September 2021	30 June 2021	Green	Green
2	1	30 September 2021	31 July 2021	Green	Green
1	1	01 September 2021	31 July 2021	Amber	Amber
1	1	01 September 2021	31 July 2021	Amber	Amber

Revised Priority Level as at July21	Priority Level	Date for Completion as at July21	Date for Completion as at May21	RAG as at July21	RAG as at May21
n/a	n/a	n/a	31 July 2021	Complete	Amber
2	1	31 May 2022	31 May 2022	Green	Amber
1	1	31 December 2021	31 December 2021	Green	Amber
2	1	30 September 2021	30 June 2021	Amber	Green
2	1	31 March 2022	31 March 2022	Green	Green

Revised Priority Level as at July21	Priority Level	Date for Completion as at July21	Date for Completion as at May21	RAG as at July21	RAG as at May21
1	1	31 March 2022	31 March 2022	Amber	Amber
1	1	30 September 2021	ongoing	Amber	Amber
1	1	ongoing	ongoing	Amber	Amber
1	1	31 March 2022	31 March 2022	Amber	Amber
2	1	30 September 2021	TBC	Amber	Amber

Revised Priority Level as at July21	Priority Level	Date for Completion as at July21	Date for Completion as at May21	RAG as at July21	RAG as at May21
1	1	31 March 2022	31 March 2022	Green	Green
n/a	n/a	n/a	31 March 2022	Complete	Green
2	2	31 March 2022	31 March 2022	Amber	Green
n/a	n/a	n/a	31 March 2022	Complete	Green
2	1	30 September 2021	31 July 2021	Amber	Amber
n/a	n/a	n/a	31 July 2021	Complete	Amber
n/a	n/a	n/a	31 July 2021	Complete	Amber

Revised Priority Level as at July21	Priority Level	Date for Completion as at July21	Date for Completion as at May21	RAG as at July21	RAG as at May21
3	3	31 March 2022	31 March 2022	Amber	Amber
3	1	Ongoing	Ongoing	Amber	Amber
3	3	31 March 2022	31 March 2022	Amber	Amber
3	1	31 March 2022	31 March 2022	Amber	Amber
3	1	30 September 2021	30 September 2021	Amber	Amber
3	3	31 March 2022	31 March 2022	Amber	Amber
n/a	n/a	n/a	31 March 2022	Complete	Amber
3	1	31 March 2022	31 March 2022	Amber	Amber
n/a	n/a	n/a	n/a		Complete
n/a	n/a	n/a	n/a		Complete
n/a	n/a	n/a	n/a		Complete

Revised Priority Level as at July21	Priority Level	Date for Completion as at July21	Date for Completion as at May21	RAG as at July21	RAG as at May21
n/a	n/a	n/a	n/a		Complete
n/a	n/a	n/a	n/a		Complete



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

13 September 2021

UPDATE: AUDIT RECOMMENDATIONS

Report by Head of Finance and Corporate Services (Report No. G/21/109)

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 4 audits completed since the last report to this Committee:

- Internal Audit - Financial Risks (PKIJB 19-01)
- Sustainability Payments (PKCIJB 20-03)
- Improvement Actions (PKCIJB20-01)
- Internal Audit Annual Report 2020/21

Ten new recommendations have been identified from these audits. Five of these new recommendations relate to the Sustainability Payments report (PKCIJB 20-03) and, as the responsibility for implementing these falls with Perth and Kinross Council, these have not been incorporated into this report and will be monitored through Perth and Kinross Council's Scrutiny Committee. Subsequently there are five new recommendations included in this update from the remaining three audits.

In terms of progress against recommendations, the follow up work undertaken indicates the following:

Status	Recommendations (excluding CCG)	CCG Recommendations	Total
Complete	44	9	53
Part Complete	1	0	1
Not Yet Due	1	0	1
Overdue	0	0	0
Total	46	9	55

2.2 Since the last Audit Recommendations report to the Audit and Performance Committee, the 1 overdue recommendation has been completed with no recommendations being overdue. The number of recommendations marked as 'complete' has increased by 6.

2.4 **Appendix 1** lists all recommendations either overdue, not yet due, completed or part complete since the last report to this Committee.

Appendix 2 lists all recommendations which are complete and have been previously reported as complete to this Committee.

3. RECOMMENDATION

The Audit & Performance Committee are asked to:

- Note the progress made to date on implementing agreed recommendations.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Head of Finance and Corporate Services	jane.smith@nhs.scot

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
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	31/10/21	Not Yet Due	-	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 on the HSCP shared information site to evidence the group's input.	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. <i>Complete</i> 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	Complete	Complete	-	The P&K IJB Strategic Commissioning plan has now been published. The Strategic Planning Group has been re-established with a review of the role, remit, membership etc completed, along with learning from best practice across other partnerships. The initial meeting of the refreshed group took place in June 2021.
58	External	Annual Report	2019/20	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 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 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	Management should: a. Complete its planned review of current leadership and management arrangements to ensure sufficient strategic planning capacity; and b. Prepare a workforce plan- <i>complete</i>	Chief Officer	a.31/10/21 b.Complete	Part Complete	-	The Chief Officer has engaged with Staff Side and HR to progress the planned restructure review 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. In response to Scottish Government guidance an Interim 1 year Workforce Plan has been produced for 2021-22, ahead of a three-year plan which will be produced during the year.

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
					unchanged from 2018-19.						
61	Internal	Financial Risks (PKIJB 19-01)	2019/20	1	<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>	<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. 	Head of Finance and Corporate Services	30/09/21	Complete	-	All financial monitoring reports from month 4 onwards will include a section identifying financial risks and mitigating actions.
62	Internal	Financial Risks (PKIJB 19-01)	2019/20	2	<p>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.</p> <p>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.</p>	<p>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'.</p> <p>Once available, the risk should be updated for these additional controls.</p>	Head of Finance and Corporate Services	-	Complete	-	

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
63	Internal	Financial Risks (PKIJB 19-01)	2019/20	3	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.	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. 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.	Jointly Chief Officer, Chief Executives NHS Tayside, Perth & Kinross Council.	-	Complete as far as possible by the Chief Officer	-	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.
69	Internal	Improvement Actions (PKCIJB20-01)	2020/21	1	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.	An operating procedure should be developed setting out a standard approach and timetable to the regular update and review and scrutiny through the Executive Management Team.	Business & Resources Manager	30/06/21	Complete	-	
70	Internal	Improvement Actions (PKCIJB20-01)	2020/21	2	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.	A key should be added to the Plan which will defines RAG and priority status meanings.	Business & Resources Manager	30/06/21	Complete	-	

**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
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	-	<p>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.</p> <p>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.</p> <p>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 .</p> <p>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.</p>
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. 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	2019/20	1	Achievement of reserves strategy: The budget should reflect the intentions of management	The IJB and its partners should work towards developing a plan to achieve	Chief Financial	31/3/21	Complete	-	As part of Budget discussions for 2021/22 significant progress has been made with both NHS Tayside and Perth

**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
		Report			to build reserves in line with its reserves strategy, which will also require significant discussion and planning with its partner bodies.	the reserves outlined in its strategy.	Officer				& 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.
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.
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	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	Clinical Governance & Risk Coordinator, Chief Social Work Officer, Clinical	-	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
					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.	year.	Director, Perth & Kinross IJB				



AUDIT & PERFORMANCE COMMITTEE

13 September 2021

INTERNAL AUDIT PROGRESS REPORT

Report by Chief Internal Auditor (Report No. G/21/110)

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.

2. PROGRESS

Since the last report to the Audit and Performance Committee, Internal Audit has continued to work on the remaining assignment from the 2020/21 Internal Audit Plan (Report [G/20/83](#) refers), relating to Corporate Support. It is anticipated that this will be reported to the next meeting of the Audit & Performance Committee.

Discussions have taken place with regard to the timing of two additional audits included within the approved Internal Audit Plan (Report [G/21/81](#) Refers). The anticipated reporting dates have been updated in Appendix 1 to reflect these discussions, which take into account anticipated recruitment activity within Perth & Kinross Council's Internal Audit team.

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

3. PERFORMANCE INDICATORS

The Audit and Performance Committee has previously raised whether performance indicators could be developed for the provision of the Internal Audit Service. Discussions have taken place within the Partnership on both local measures and more strategic indicators for reporting. In order to ensure

that these remain at an appropriate level of scrutiny, the following have been developed for consideration:

1. The Internal Audit Service(s) undertaking work for the Partnership should be externally validated as compliant with the Public Sector Internal Audit Standards
2. Reports are available for consideration at the targeted Audit & Performance Committee; and
3. Assignments are complete in order for the Chief Internal Auditor to provide a timely Annual Report and Opinion.

With regard to the second Performance Indicator, it is however appreciated that matters outwith Internal Audit's control may affect this, including the ability for the Partnership to engage with auditors due to unforeseen circumstances.

4. REPORTS FROM PARTNER BODIES

There will be occasions where internal audit activity undertaken as part of the approved plans for partner bodies will have relevance for the Integration Joint Board. An Information Sharing Protocol exists to enable the sharing of these reports with partners where appropriate.

In order to ensure that a systematic approach is taken to identify such reports, the Chief Internal Auditor has reviewed the approved Internal Audit Plan for Perth & Kinross Council. The following audits have been identified as potentially having an interest for this Committee, depending upon the final scoping of the assignments:

1. Partnership Working;
2. IT Assets; and
3. Payroll.

A review of the Internal Audit Plan for NHS Tayside has identified the following audits as potentially having an interest for this Committee, depending upon the final scoping of the assignments:

1. Primary Care Services;
2. Clinical Strategy;
3. Clinical Governance; and
4. Workforce Planning.

When reports are completed these will be considered and, where relevant, shared with the Audit and Performance Committee of the Integration Joint Board.

5. RECOMMENDATION

The Audit & Performance Committee is asked to:

- (i) Note the progress made in the delivery of the 2020/21 and 2021/22 plans;
- (ii) Agree the Performance Indicators as described in Section 3; and
- (iii) Note the outcome of the review of the Internal Audit Plan for Perth & Kinross Council and NHS Tayside in Section 4.

6. CONSULTATION

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

Author(s)

Name	Designation	Contact Details
J Clark	Chief Internal Auditor	InternalAudit@pkc.gov.uk

APPENDICES

1. Internal Audit Plan Progress

Internal Audit Plans Progress Report August 2021

2020/21								
	Audit	Indicative Scope	Target Audit Committee	Planning commenced	Work in progress	Draft Issued	Completed	Grade
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.	December 2021	✓	✓			
2021/22								
N/A	Audit Planning	Agreeing audit universe and preparation of strategic plan	Jun 2021	✓	✓	✓	✓	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 2022					
PKIJB 21-01	Leadership Capacity	To provide assurance of the capacity within the leadership team for the delivery of strategic objectives	March 2022					
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	March 2022					



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

13 SEPTEMBER 2021

ANNUAL ACCOUNTS 2020/21

Report by Head of Finance and Corporate Services (Report No. G/21/112)

PURPOSE OF REPORT

This report presents the IJB's Audited Annual Accounts for the period to 31 March 2021 to the Audit & Performance Committee for approval.

1. BACKGROUND

On 21st June 2021 the Audit and Performance Committee approved the Unaudited Annual Accounts for 2020/21 on behalf of the IJB. The Unaudited Annual Accounts for 2020/21 were then submitted to Audit Scotland on 30 June 2021. The Annual Accounts were prepared in accordance with the 2020 CIPFA Code of Practice on Local Authority Accounting ('the code'). These accounts also comply with the Local Authority Accounts (Scotland) Regulations 2014. The Unaudited Annual Accounts were available for public inspection between 1 July 2021 and 21 July 2021 (inclusive). KPMG, the IJB's external auditors, received no objections during this period.

2. ANNUAL ACCOUNTS 2020/21

The audit of the Annual Accounts took place between July and August 2021 during which time KPMG considered whether the Annual Accounts 2020/21:-

- Gave a true and fair view in accordance with applicable law and the 2020 Code of the state of the affairs of the IJB as at 31 March 2021 and of its income and expenditure of the IJB for the year then ended;
- Had been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020 Code;
- Had been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

KPMG's findings are set out in the Annual Audit Report to members and the Controller of Audit provided to the Audit and Performance Committee at Appendix 1. The key messages from the 2020/21 audit are set out at within the Executive Summary at Page 3 and are summarised as follows:-

- KPMG intend to issue an unqualified audit opinion on the annual accounts of Perth and Kinross Integration Joint Board (“the IJB”) following their approval by the IJB
- KPMG have no matters to highlight in respect of adjusted audit differences or our independence.
- KPMG remain satisfied that the IJB is a going concern as a result of the integration scheme and the financial sustainability of the partners.
- The IJB’s arrangements for assessing and reporting on the impact of COVID-19 is considered appropriate.
- KPMG consider the arrangements regarding financial management are effective.
- The annual performance report shows significant improvement with most of the indicators above the national average.
- KPMG’s recommendation of moving to a proportional risk sharing agreement has not been delivered in year, and continues to be reported as a grade one action point for 2021-22

The Audited Accounts are attached to this report at Appendix 2.
The Audit and Performance Committee are asked to consider the Letter of Representation at Appendix 3 for submission to the IJB for final approval.

3. ANNUAL GOVERNANCE STATEMENT 2020/21

It has been necessary to amend the Annual Governance Statement (AGS) since it was approved by this Committee in June 2021. Ongoing work concerning Clinical Care Governance assurance arrangements has meant that the following paragraph in the Internal Control Framework section has been included to better represent the current arrangements:

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

An improvement action has subsequently been added to the Action Plan for 2021/22 under the Internal Controls section as follows:

“Review and embed a process for ensuring regular assurance is provided to the IJB that NHS Tayside and Perth & Kinross Council are effectively managing and monitoring clinical care and professional risk and that significant risks that may impact on the strategic objectives of the IJB are effectively escalated;”

It is anticipated that proposals in this regard will come forward to the IJB in September.

4. CONCLUSION AND RECOMMENDATIONS

It is recommended that the Audit & Performance Committee:

- Note the contents of KPMG's Annual Audit Report to Members of Perth & Kinross IJB and the Controller of Audit on the 2020/21 Audit;
- Approve the Audited Annual Accounts for 2020/21;
- Approve the Letter of Representation for signature by the Head of Finance and Corporate Services.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Head of Finance and Corporate Services	jane.smith@nhs.scot

Appendices

1. Annual Audit Report to the Members of Perth and Kinross Integration Joint Board and the Controller of Audit
2. 2020/21 Audited Annual Accounts
3. Letter of Representation



Perth and Kinross Integration Joint Board

Annual Audit Report to the Members of Perth and Kinross Integration Joint Board and the Controller of Audit
for the year ended 31 March 2021

14 September 2021

DRAFT

Contents

	Page	
Executive summary	3	DRAFT
Scope and responsibilities	4	
Financial statements and accounting	5	
Wider scope and Best Value	14	
Appendices	23	

About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of Perth and Kinross Integration Joint Board ("the IJB") and is made available to Audit Scotland and the Controller of Audit (together "the Beneficiaries"). This report has not been designed to be of benefit to anyone except the Beneficiaries. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Beneficiaries, even though we may have been aware that others might read this report. We have prepared this report for the benefit of the Beneficiaries alone.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the introduction and responsibilities sections of this report.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Beneficiaries) for any purpose or in any context. Any party other than the Beneficiaries that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Beneficiary's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Beneficiaries.

Complaints

If at any time you would like to discuss with us how our services can be improved or if you have a complaint about them, you are invited to contact Michael Wilkie, who is the engagement leader for our services to the IJB, telephone 0141 300 5890, email: Michael.Wilkie@kpmg.co.uk who will try to resolve your complaint. If your problem is not resolved, you should contact Hugh Harvie, our Head of Audit in Scotland, either by writing to him at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG, by telephoning 0131 527 6682 or email hugh.harvie@kpmg.co.uk. We will investigate any complaint promptly and do what we can to resolve the difficulties. After this, if you are still dissatisfied with how your complaint has been handled you can refer the matter to Diane McGiffen, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN.

Executive summary

DRAFT

Audit conclusions

We intend to issue an unqualified audit opinion on the annual accounts of Perth and Kinross Integration Joint Board ("the IJB") following their approval by the IJB on 14 September 2021.

We identified two significant risks in the audit of the IJB, which relate to fraud risk from management override of controls and fraud risk from revenue and expenditure recognition, (the latter of which was rebutted). As documented on pages ten and 11, we have concluded satisfactorily in respect of the significant risks and audit focus areas identified in the audit strategy document.

We concurred with management's assessment that the entity remains a going concern for the 12 month period from September 2021, in compliance with the statutory requirement to prepare accounts on a going concern basis.

The annual accounts were received at the start of the audit fieldwork. We have no matters to highlight in respect of adjusted audit differences or our independence.

Financial position

The IJBs final operational outturn is a underspend against budget of £3.9 million for the year. This is split between a Health Services underspend of £0.961 m and Social Care underspend of £2.9 million. The IJB increased its reserves from £1.2 million to £13.9 million as a result of underspends, and Covid-19 related funding.

The integration scheme stipulates the default position in an overspend scenario. This year the underspend delivered by the IJB means there is no additional contributions required by either partner body, and partners continue to be bound to cover overspends for which they have operational responsibility, and this is expected to continue. Our recommendation of moving to a proportional risk sharing agreement has not been delivered in year, and continues to be reported as a grade one action point for 2021-22.

Financial management and financial sustainability

Since its inception, the IJB has experienced an ongoing funding deficit. This year, due to underspends, Scottish Government funding and unspent Covid-19 funding, there is a surplus on the provision of services available for future use.

The IJB faces ongoing financial pressures due to salary costs, price pressures and unknown future demand for services (including demand from Covid-19). We remain satisfied that the IJB is a going concern as a result of the integration scheme and the financial sustainability of the partners.

The Board approved of an initial one year budget for 2021/22 and the development of a three year financial plan at the end of 2020-21 which will help the IJB plan for future pressures, and will enable management to have valuable conversations when discussing future budget settlements. We consider the arrangements regarding financial management are effective.

The IJB's arrangements for assessing and reporting on the impact of COVID-19 is considered appropriate.

We also repeated concerns around the lack of a proportional financial risk sharing agreement which would support continued integration of services.

Governance and Transparency, and Value for money

The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the board.

The annual performance report shows significant improvement with most of the indicators above the national average.

Scope and responsibilities

DRAFT

Purpose of this report

The Accounts Commission has appointed KPMG LLP as auditor of Perth and Kinross Integration Joint Board ("the IJB") under part VII of the Local Government (Scotland) Act 1973 ("the Act"). The period of appointment is 2016-17 to 2021-22, inclusive. Our engagement has been extended by Audit Scotland to 2021-22 in order to mitigate any potential impact of COVID-19 on the process for the next period of appointment.

Our annual audit report is designed to summarise our opinions and conclusions on significant issues arising from our audit. It is addressed to both those charged with governance at the IJB and the Controller of Audit. The scope and nature of our audit are set out in our audit strategy document which was presented to the Audit and Performance Committee on 15 February 2021.

Audit Scotland's Code of Audit Practice ("the Code") sets out the wider dimensions of public sector audit which involves not only the audit of the financial statements but also consideration areas such as financial performance and corporate governance.

Accountable officer responsibilities

The Code sets out the IJB's responsibilities in respect of:

- corporate governance;
- financial statements and related reports;
- standards of conduct for prevention and detection of fraud and error;
- financial position; and
- Best Value.

Auditor responsibilities

This report reflects our overall responsibility to carry out an audit in accordance with our statutory responsibilities under the Act and in accordance with International Standards on Auditing (UK) ("ISAs") issued by the Financial Reporting Council and the Code. Appendix one sets out how we have met each of the responsibilities set out in the Code.

Scope

An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance.

Weaknesses or risks identified are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist.

Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Under the requirements of ISA 260 *Communication with those charged with governance*, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity.

This report to those charged with governance and our presentation to the Audit and Performance Committee, together with previous reports to the audit and performance committee throughout the year, discharges the requirements of ISA 260.

Financial position

DRAFT

Overview

The Public Bodies (Joint Working) (Scotland) Act 2014 specifies that integration joint boards should be treated as if they were bodies falling within section 106 of the Local Government (Scotland) Act 1973. The financial statements of the IJB should therefore be prepared in accordance with the 1973 Act and the 2020-21 Code of Practice on Local Authority Accounting in the United Kingdom (“the CIPFA Code”).

The Board is responsible for the strategic planning and delivery of health and adult social care services in Perth and Kinross. The Integration Scheme sets out those services the Board has delegated responsibility for, which includes ‘hosted’ services which are provided by the IJB on behalf of the other integration joint boards in the Tayside region, Dundee City and Angus.

IJB financial management overview

The IJB budget process usually begins in September each year with final presented to the Board for approval by March in advance of the financial year. Delegated baseline budgets for 2020-21 were compared to actual expenditure in previous years in order to build up the budget. Detailed forecasts have been prepared of anticipated salary, price and demand pressures along with the cost of meeting legislative changes and planned service developments.

The 2020-21 budget was set in March 2020 based on the understanding that the huge uncertainty over Covid-19 would be funded by additional income. This budget set out a very early indication of the expected COVID-19 expenditure and the Scottish Government funding to be received.

In respect of the 2021-22 budget setting process, the IJB participated in the Perth and Kinross Council (“the Council”) budget process in order to commence early discussion over funding and anticipated expenditure pressures. NHS Tayside (“NHST”) set an independent budget with funding implications managed by the IJB within the scope of the integration scheme.

Legislation empowers the Board to hold reserves. The integration scheme and the reserves strategy set out the arrangements between the partners for addressing and financing any overspends or underspends. Financial management is discussed further on page 15.

Funding contributions from Perth and Kinross Council £56.7 million (PY £54.1 million)	Funding contributions from NHS Tayside £186.9 million (PY £160.2 million)	Gross expenditure £230.8 million (PY £205.6 million)	Surplus on provision of services £12.7 million (PY Deficit £1.3 million)
---	--	--	--

The IJB's budget, published on 31 March 2020 forecasted a £1.2 million overspend on delivery of services. Despite the challenging year faced, the IJB reported a underspend of £3.9 million, which did not include the additional funding received for COVID-19. COVID-19 grants exceeded expenditure by £4.6 million, and are held as reserves for future years.

The prior year reserves generated through historic surpluses have been increased through the current year surplus of £12.7 million. As detailed on page 17, the available reserves of £13.9 million are retained for application against spending commitments. Management have earmarked these reserves for 2021-22, and is discussed further on page 17.

The Board does not have any fixed assets, nor does it directly incur expenditure or employ staff. The Chief Officer and the Chief Financial Officer are appointed officers of the IJB but are remunerated through the partner bodies. All funding and expenditure is delegated to the partner organisations and is recorded in the partner organisation’s accounting records.

Financial position (continued)

2020-21 financial position

The annual accounts are prepared on a going concern basis. A surplus of £12.7 million was reported in the final outturn in June 2021 for the year ended 31 March 2021.

The outturn in 2020-21 was a underspend of £3.9 million which was an improvement when compared to the original budget deficit of £1.2 million. This is due to a variety of underspends that occurred during the year, and did not include Covid-19 related grants or funding.

Against social care services, where operational responsibility remains with the Council, actions from the financial plan and services unable to be delivered due to COVID-19 have offset this at the year end, resulting in an underspend of £2.9 million being reported.

Health services, where operational responsibility remains with NHS Tayside, delivered a £1.0 million underspend on budget.

The health underspend is made up of the following significant variances:

- Older people services under spend of £0.9 million, partially as a result of a delay in investment in intermediate care beds (£0.4 million)
- Adult services underspend of £0.4 million, driven partially by vacancies in General Adult Psychiatry and Learning Disability Teams.
- Prescribing underspend of £0.6 million in line with budget as a result of slower volume growth (demand for services) offset by higher price growth.

DRAFT

Expenditure	2020-21 Budget (£m)	2020-21 Actual (£m)	Over/(under) spend against budget (£m)
Hospital and Community Health	56.0	54.6	(1.4)
Hosted Services	15.4	15.0	(0.4)
GP Prescribing	27.0	27.0	0.0
General medical services	48.4	48.3	(0.1)
Financial plan deficit	-1.2	-0.2	1.0
Health	145.5	144.6	(1.0)
Social Care	57.0	54.1	(2.9)
Total	202.6	198.7	(3.9)

Source: 30 June 2021 – 2020-21 Financial Position report to the Board

Comprehensive income and expenditure statement

As noted previously, the integration scheme set out some services that are devolved to an IJB ("hosted services"), rather than split it across the three IJBs; Perth and Kinross, Dundee and Angus, for which it partners. This results in differences between the budget that management and members receive, which show the hosted services the IJB are responsible for, and the comprehensive income and expenditure statement ("CIES"). The two therefore are not directly comparable, and the hosted services explain the significant differences between the two. The CIES includes the utilisation of reserves in order to achieve the year end position.

Financial position (continued)

DRAFT

Related party transactions

NHS Tayside receives the recurring baseline budget on behalf of the IJB and expenditure is drawn down through NHS Tayside. As PKC uses the baseline budget to deliver services, it invoices NHS Tayside directly for the services.

In total in the year there was a £22.1 million payment from NHS Tayside to PKC, this is included and explained within Note 8: Related Party Transactions. This relates to funding NHS Tayside receives from the Scottish Government being redirected to Perth and Kinross Council for delivery of some social care services.

In line with other IJBs nationally, there is a requirement to recognise funding from partners, and to recognise its commissioning expenditure, in order to disclose the gross cost of providing services. The related parties note details this gross cost of providing services, and gross income received from partners.

Balance sheet

The £13.9 million debtors balance at the year end increased as a result of significant additional Scottish Government COVID-19 funding and significant financial control by management. IJB 'cash' is held by the partner organisations due to the IJB not having a bank account, leading to a creditor to the IJB in the Ppartners' Balance Sheet. The debtor balance is split with £11 million allocated to NHS Tayside (PY £1.2 million) and £2.9 million to the Council (PY £nil).

The debtor balance to Perth and Kinross Council is the total income less total expenditure with the Council, as adjusted on an accounting basis. These funds, in line with the current scheme of integration, will support social care activities going forward.

Balance sheet	2020-21 £000	2018-19 £000
Short term debtors	13,900	1,159
Net assets	13,900	1,159
Usable reserve : General fund	(13,900)	(1,159)
Total reserves	(13,900)	(1,159)

Source: Unaudited annual accounts 2020-21

Audit conclusions

DRAFT

Audit opinion

Following approval of the annual accounts by the IJB Board, we intend to issue an unqualified opinion on the truth and fairness of the state of the IJB's affairs as at 31 March 2021, and of the surplus for the year then ended.

There are no matters identified on which we are required to report by exception.

Financial reporting framework, legislation and other reporting requirements

The IJB is required to prepare its annual accounts in accordance with International Financial Reporting Standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21 and in accordance with the Local Authority Accounts (Scotland) Regulations 2014. Our audit confirmed that the financial statements have been prepared in accordance with the CIPFA Code and relevant legislation.

Statutory reports

We have not identified any circumstances to notify the Controller of Audit that indicate a statutory report may be required.

Other communications

We did not encounter any significant difficulties during the audit. There were no other significant matters arising from the audit that were discussed, or subject to correspondence with management that have not been included within this report. There are no other matters arising from the audit, that, in our professional judgement, are significant to the oversight of the financial reporting process.

Audit misstatements

There were no misstatements identified during the audit. A expanded basis of preparation in respect of going concern was included as a result of our audit.

Written representations

Our representation letter will not include any additional representations to those that are standard as required for our audit.

Materiality and summary of risk areas

DRAFT

Materiality

We summarised our approach to materiality in our audit strategy document. On receipt of the financial statements and following completion of audit testing we reviewed our materiality levels and concluded that the level of materiality set at planning was still relevant.

We used a materiality of £2.2 million for the IJB's financial statements. This equates to approximately 1% of gross expenditure. We designed our procedures to detect errors in specific accounts at a lower level of precision than our materiality. For the IJB, our performance materiality was £1.6 million. We report all misstatements greater than £105,000.

Forming our opinions and conclusions

In gathering the evidence for the above opinions and conclusions we:

- performed substantive procedures to ensure that key risks to the annual accounts have been covered;
- communicated with the Chief Internal Auditor, who provides internal audit support to the IJB, and reviewed internal audit reports as issued to the Audit and Performance Committee to ensure all key risk areas which may be viewed to have an impact on the annual accounts had been considered;
- reviewed estimates and accounting judgments made by management and considered these for appropriateness;
- considered the potential effect of fraud on the annual accounts through discussions with senior management and internal audit to gain a better understanding of the work performed in relation to the prevention and detection of fraud; and
- attended Audit and Performance Committee meetings to communicate our findings to those charged with governance, and to update our understanding of the key governance processes.

Financial statements preparation

Draft financial statements were published online in line with Section 195 of Local Government (Scotland) Act 1973, this included the management commentary and annual governance statement. In advance of our audit fieldwork we issued a 'prepared by management' request setting out a list of required analyses and supporting documentation. We received working papers of good quality, and signed complete draft financial statements were provided on 25 June 2021.

We recognise the significant efforts of the finance team given the ongoing COVID-19 pressures to deliver a set of accounts with no identified misstatements to us in accordance with the normal timeframes. The finance team were retasked with additional responsibility in respect of additional financial reporting requirements, workforce planning and third party sustainability payment administration. In this context, this represents a significant achievement.

Significant risks and other focus areas in relation to the audit of the financial statements

We summarise below the risks of material misstatement as reported within the audit strategy document.

Significant risks (page ten of this report):

- management override of controls fraud risk.

Other focus areas (page 11 of this report):

- completeness and accuracy of expenditure; and
- financial sustainability (also a wider scope area).

Wider scope areas (page 14 of this report):

- financial sustainability;
- financial management;
- value for money; and
- governance and transparency.

Significant risks

DRAFT

Significant risk	Our Response	Audit conclusion
Fraud risk from management override of controls Professional standards (ISA 240 The Auditor's responsibilities relating to fraud in an audit of financial statements) require us to communicate the presumed fraud risk from management override of controls as a significant risk; as management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	<ul style="list-style-type: none"> Our audit methodology incorporates the risk of management override as a default significant risk. We have not identified any specific additional risks of management override relating to the audit of the Board. Strong oversight of finances by management provides additional review of potential material errors caused by management override of controls. In line with our methodology, we will carry out appropriate substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the organization's normal course of business, or are otherwise unusual. 	<i>Our work did not identify any control overrides, or matters that required adjustment in the annual accounts or which require to be brought to attention.</i>
Fraud risk from income revenue recognition and expenditure (rebutted) Professional standards (ISA 240 and Practice Note 10 ("PN10") Audit of financial statements of public sector bodies in the United Kingdom require us to make a rebuttable presumption that the fraud risk from revenue recognition and expenditure are significant risks.	<ul style="list-style-type: none"> The Board receives funding through requisitions to Perth and Kinross Council and NHS Tayside. These are agreed in advance of the financial year, with any changes arising from changes in need, requiring approval from each body. There is no estimation or judgement in recognising this stream of income and we do not regard the risk of fraud to be significant. The Board issues directions to Perth and Kinross Council and NHS Tayside in order to direct those bodies to deliver services delegated by the Board. The Board make these directions based on its budget agreed in advance of the financial year. There is no estimation or judgement in recognising expenditure to these bodies, and we do not regard the risk of fraud to be significant. 	<i>Our conclusion is that income and expenditure is appropriately stated, in line with the CIPFA Code.</i>

We set out above the significant risks identified in the audit, together with our conclusion. The audit opinion within the annual accounts includes a reference to the most significant assessed risks of material misstatement, which is the significant risk included in this annual audit report. This annual audit report does not constitute our audit opinion; the opinion is included within the annual accounts.

Other focus areas



DRAFT

Other focus area	Our response	Audit conclusion
Financing focus area		
<p>Completeness and accuracy of expenditure</p> <p>The Board receives expenditure forecasts from Perth and Kinross Council and NHS Tayside as part of the annual budgeting process. There is a risk that actual expenditure and resulting funding requisition income is not correctly captured.</p>	<p>— Our substantive audit will obtain support for gross expenditure included in Perth and Kinross Council and NHS Tayside's accounting records. We obtained confirmations of expenditure from each of these bodies, including ledger confirmations of each of the disclosed services as detailed in the CIES.</p>	<p><i>We have concluded that that expenditure is appropriately recognized.</i></p> <p><i>No exceptions were identified in respect of expenditure testing and testing of high risk expenditure journals.</i></p> <p><i>Our testing of this exercise did not identify errors in expenditure.</i></p>
<p>Financial sustainability</p> <p>Financial sustainability looks forward to the medium and longer term to consider whether the Board is planning effectively to continue to deliver its services or the way in which they should be delivered. This is inherently a risk to the Board given the challenging environment where funding is reduced and efficiency savings are required.</p>	<p>— The Board receives funding from NHS Tayside and Perth and Kinross Council, and as part of an Integration Scheme. This scheme stipulates that any overspends by the Board will be funded by NHS Tayside and Perth and Kinross Council based on each body's proportionate contribution in the financial year, or by the body with operational responsibility as a default position. This gives the Board comfort with regards to overspends, however, there is a risk going forward regarding ongoing budget balance, specifically in the context of both COVID-19 and challenging NHS and Council budgets.</p> <p>— We have considered the Board's financial planning, reserves strategy, and Board's use of reserves, concluding on the appropriateness of these in our annual audit report.</p> <p>— See page 17 for further information regarding the financial sustainability wider scope.</p>	<p><i>We consider that the IJB is financially sustainable. The IJB has detailed plans in place over the medium term to consider how services will be provided in future years. These take into consideration known and expected budget pressures. These have been completed in even greater detail in 2020-21 due to the demands of the Scottish Government in producing the Re-mobilisation plan. This valuable piece of work ensures that the IJB has considered a range of possible scenarios and has mitigation measures in place.</i></p> <p><i>Work is underway to refresh the three year financial plan covering 2022-23 to 2024-25 in order to prepare the 2022-23 budget.</i></p>

Management reporting in financial statements

DRAFT

Report	Summary observations	Audit conclusion
Management commentary	<p>The Local Authority Accounts (Scotland) Regulations 2014 require the inclusion of a management commentary within the annual accounts, similar to the Companies Act requirements for listed entity financial statements. The requirements are outlined in the Local Government finance circular 5/2015.</p> <p>We consider the annual governance statement to ensure compliance with the Local Government finance circular 10/2020 which updated the requirements in response to the COVID-19 pandemic.</p> <p>We are required to read the management commentary and express an opinion as to whether it is consistent with the information provided in the annual accounts.</p> <p>We also review the contents of the management commentary against the guidance contained in the CIPFA template IJB accounts.</p>	<p><i>The information contained within the management commentary is consistent with the annual accounts.</i></p> <p><i>We reviewed the contents of the management commentary against the guidance contained in the Local Government finance circular 5/2015, and 10/2020 and are content with the proposed report.</i></p>
Remuneration report	<p>The remuneration report was included within the unaudited annual accounts and supporting reports and working papers were provided.</p>	<p><i>The information contained within the remuneration report is consistent with the underlying records and the annual accounts and all required disclosures have been made in line with the 2014 regulations.</i></p> <p><i>Our independent auditor's report confirms that the part of the remuneration report subject to audit has been properly prepared.</i></p>
Annual governance statement	<p>The statement for 2020-21 outlines the corporate governance and risk management arrangements in operation in the financial year. It provides detail on the IJB's governance framework, review of effectiveness, continuous improvement agenda, and analyses the efficiency and effectiveness of these elements of the framework.</p> <p>We consider the annual governance statement to ensure that management's disclosure is consistent with the annual accounts, and that management have disclosed that which is required under the delivering good governance in local government framework.</p> <p>We considered whether the annual governance statements adequately described the changes arising in governance as a result of the COVID-19 pandemic.</p>	<p><i>We consider the governance framework and revised annual governance statement to be appropriate for the IJB and that it is in accordance with guidance and reflects our understanding of the IJB.</i></p> <p><i>We were satisfied with the proposed disclosure over the governance arrangements and the vacancy on the Board which was filled in April 2021.</i></p>

Qualitative aspects and future developments

DRAFT

Qualitative aspects

ISA 260 requires us to report to those charged with governance our views about significant qualitative aspects of the Council's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

We consider the accounting policies adopted by the Council to be appropriate. There are no significant accounting practices which depart from what is acceptable under IFRS or the CIPFA Code.

There were no accounting estimates identified as part of our audit.

Financial statement disclosures were considered against requirements of the CIPFA Code, relevant legislation and IFRS. No departures from these requirements were identified.

Future accounting and audit developments

There are no significant future accounting or audit developments relating to the financial statements of the IJB.

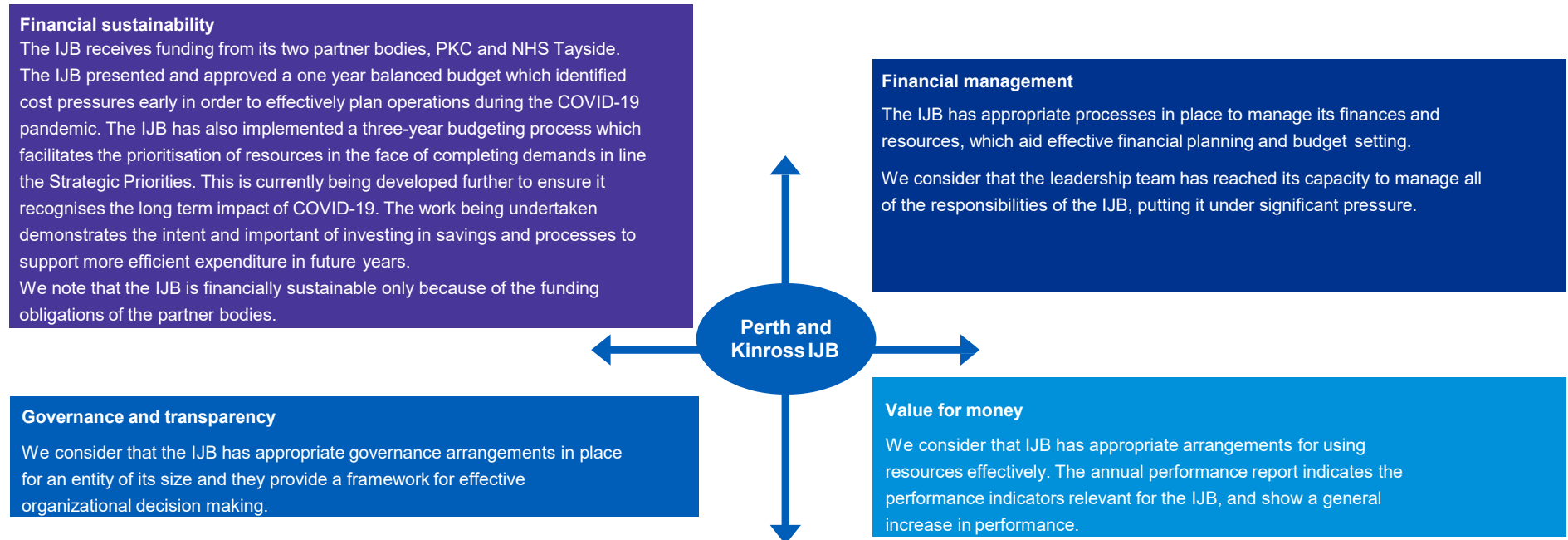
Audit dimensions introduction and conclusions

DRAFT

The Code of Audit Practice sets out four audit dimensions which, alongside Best Value in the local government sector, set a common framework for all the audit work conducted for the Controller of Audit and for the Accounts Commission: financial sustainability; financial management; governance and transparency; and value for money.

It remains the responsibility of the audited body to ensure that it has proper arrangements across each of these audit dimensions. These arrangements should be appropriate to the nature of the audited body and the services and functions that it has been created to deliver. We review and come to a conclusion on these proper arrangements.

During our work on the audit dimensions we considered the work carried out by other scrutiny bodies to ensure our work meets the proportionate and integrated principles contained within the Code of Audit Practice.



Financial management

DRAFT

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Budget setting process

Management continue to work with the partner bodies to discuss, develop and set an achievable budget, identifying pressures in order to manage overspends and the process was significantly improved for 2021-22 (see page 17).

Budgetary reporting

The IJB's financial management comes under a reasonable degree of scrutiny, with budgets monitored at IJB, local authority and NHS level.

The IJB produces finance updates which are taken to both the Board and the Audit and Performance Committee ("APC"). Management aims to report the financial position to the IJB at each meeting throughout the financial year. This contains sufficiently detailed information to allow members to understand budget variances, and to respond to issues.

In line with best practice, management have presented a finance update to all Board meetings (these have taken place virtually due to the pandemic).

Budget outturn and 2020-21 performance is discussed further on page five.

Financial recovery plan

The integration scheme requires that where overspends are identified, management prepare a deficit recovery/action plan to be approved by the Board prior to any actions implemented. Management prepared the financial recovery plan ("FRP") in order to demonstrate a response to this requirement.

There was no financial overspend in 2020-21 in either the IJB's social care activities nor health care activities, which represents ongoing efforts by management to manage finances. In addition, significant funds received from the Scottish Government in order to meet the needs of the community during the COVID-19 pandemic. Unused funds have been recognised as earmarked reserves as at the end of the financial period. There was operational underspend in the Health Reserves Fund (£1.0 million) and Social Care Operations (£2.9 million).

Financial regulations

The IJB has standing financial regulations which determine how spend can be authorized. The highest budget virement that can be approved by the Chief Officer is £10,000, with anything above that level having to go through the Board, which conducts its meetings in public. We consider this to be an appropriate level for escalation.

The Chief Financial Officer is responsible for ensuring that appropriate financial services are available to the IJB and the Chief Officer.

Financial management

Capacity and service transformation

The section 95 officer of the IJB is the Head of Finance and Corporate Services, who has appropriate status within the IJB and access to the partner chief executive officers and Board members.

In 2018-19, we reported that the Chief Officer would review the current leadership and management arrangements to support ongoing and improved integration between the IJB and its partner bodies. We confirmed that this review had not been completed due to the operational impact of the COVID 19 pandemic and progress is ongoing. With increasing demand on senior officers time and resources, management should undertake reviews such as this to ensure that required resources to deliver integrated services are fully identified and sourced.

The integrated finance function consists of the Head of Finance and Corporate Services who has oversight of financial management resources transferred by NHS Tayside and Perth and Kinross Council. In addition, NHS Tayside provide financial support for specific service areas such as Prescribing, and Primary Care. The Partnership Finance Manager provides significant support to the day to day financial management and control within the IJB. The IJB continues, through redesigning care, to analyse service expenditure in order to identify savings and efficiencies.

As part of the integration of services the IJB, along with the two other integration joint boards in the Tayside region, each manage a number of hosted services. Previously, the IJB have managed Inpatient Mental Health, however, at the direction of the Scottish Government in 2020-21 the operational management reverted from the Chief Officer of the IJB to another Director within NHS Tayside. This is explained within Note 7 of the accounts and represents a significant change of responsibility for the IJB. [Arrangements for the prevention and detection of fraud](#)

We have responsibility for reviewing the arrangements put in place by management for the prevention and detection of fraud. We reviewed the IJB's arrangements including policies and codes of conduct for council staff and elected members, whistleblowing, fraud prevention and fraud response plan.

We considered the arrangements in place for the prevention and detection of fraud to be adequate.

COVID-19 impact assessment

DRAFT

The worldwide COVID-19 pandemic has understandably had an impact on a wide ranging number of topics across the globe. As part of our wider scope reporting in respect of the IJB, we considered the impact on governance and financial sustainability.

As part of its response to COVID-19 pressures, the IJB participated in regular reporting to the Scottish Government detailing financial pressures. This covered both health and social care, being reported via NHS Tayside. The IJB was also required to complete a one year workforce plan for submission to the Scottish Government. This was a valuable undertaking and Management considered this process to be robust. The IJB also completed regular financial reporting in respect of Re-Mobilisation plans, planning the necessary actions to react to the impact of the pandemic, identifying new approaches to service delivery, redeploying staff and capturing additional costs.

Management reported significant work in respect of Delayed discharges to improve the path through hospitals for patients, and developed a Community Assessment Hub at Perth Royal Infirmary to improve the number of patients being supported.

Conclusion

The IJB set a three year budget covering 2020-21 to 2022-23 on a balanced basis. This short term forecasting recognises the extreme level of planning uncertainty and the impact of COVID-19 on the capacity of its officers. Management are refreshing the three year financial plan for 2022-23 to 2024-25 which aims to deliver a financially balanced short term financial budget.

Overall financial capacity is appropriate for the purposes of delivering services and day to day management. However, there remains no specific strategic planning capacity within the IJB to inform and lead senior strategic planning capacity.

Financial sustainability

DRAFT

Financial sustainability looks forward to the medium and longer term to consider whether the IJB is planning effectively to continue to deliver its services. This is inherently a risk to the IJB given the challenging environment where funding is reduced in real terms and efficiency savings are required.

In assessing financial sustainability we consider whether the IJB is able to balance budgets in the short term and whether longer term financial pressures are understood and are planned for, as evidenced by the IJB's financial strategies and plans.

Budgets and financial position

In 2019-20, management began the process of setting a full three year revenue budget which covered 2019-20, 2020-21 and 2021-22. This was updated in 2019-20 to include 2021-22 and significantly improved medium-term financial planning. The three year revenue budget for Health and Social Care was approved on 31 March 2020 and achieves a financial balance over the three years.

However due to the significant impact of COVID-19 these medium term forecasts were replaced by a one year budget for 2020-21 and for 2021-22. This was undertaken by management to ensure that stretched resources were being adequately utilised and providing value for money.

Management are continue to refresh their three year financial recovery plan for 2022-23 through to 2024-25 which allows for medium term financial forecasting.

2021-22 budget process

On 9th December 2020, the IJB agreed to the development of a one year budget for 2021-22, based on the provisional budget agreed in March 2020. This recognised the ongoing emergency response to the Covid-19 pandemic, the limited capacity of officers and the difficulty in developing long term plans which effectively consider the long term opportunities and challenges brought about by the pandemic.

This budget was developed with significant engagement from members, with management providing two sessions on 24 November 2020, and 9 March 2021 to allow for member discussion.

Management presented the 2021-22 budget on 31 March 2021 which identified the need to deliver on savings and efficiencies to break even over the year. Any slippage in savings delivery would result in non-recurring funding being required.

Reserves strategy

The IJB approved a reserves policy in March 2017 which sets out the statutory and regulatory framework for reserves, the operation of these reserves and the role of the Chief Financial Officer in determining the adequacy of reserves held by the IJB. Management aspires to retain a general fund reserve of 2% of gross expenditure, or £4.0 million

The IJB had reserves of £13.9 million at the year end of which £1.2 million was not ringfenced or 0.5% of gross expenditure.

We discussed with management how the reserves strategy will be delivered. There is consideration of the need to achieve non-ringfenced reserves of 2% in 2021-22. In conjunction with pressures identified in the development of the three year plan, the achievement of this is accepted as challenging.

Recommendation one

Financial sustainability (continued)

DRAFT

Risk sharing

The integration scheme sets out the process to be followed should the IJB overspend against the agreed budget. The Chief Officer and Chief Financial Officer are expected to manage the budget to ensure that there are no overspends. Where an unexpected overspend is likely the Chief Financial Officer should agree corrective action to mitigate the overspend. Where this does not resolve the gap, agreement must be made between the partner bodies, in conjunction with the executive team, to agree a recovery plan to balance the budget.

Where this is unsuccessful and the IJB overspends at the year end, uncommitted reserves are applied to any overspend firstly and the remaining overspend is either met by an additional one-off payment from a partner. The integration scheme provides that for the first two years of financial operation (2017-18 and 2018-19) any overspend is met by the partner with operational responsibility.

From the third year (2019-20) onwards, the integration scheme states that any overspend may be allocated based on each partner's proportionate contribution to the IJB, and this suggests formal agreement between the partners is required. For 2020-21, we understand that there has been limited discussion between relevant partners in respect of the approach to be taken and there is no formal documentation of this arrangement. We note that this has been partially delayed due to COVID-19, however this has been raised as a recommendation since the 2018-19 audit.

Management confirmed that the integration scheme will be reviewed by the partners which may result in an alternative risk sharing arrangements being agreed, however, we reaffirm the importance of a proportionate arrangement to encourage efficient and effective integrated service delivery and as a minimum recommend formal agreement of the approach to risk sharing. The goal of integration is to deliver seamless and supported services to stakeholders, driven by partner commitment to drive value for money throughout the stakeholders journey. This recommendation is re-iterated despite the £12.7 million underspend recognised in 2020-21.

Recommendation two

This arrangement gives the IJB comfort that overspends will ultimately be met by the partner bodies. We note that it does not motivate collaborative working between the three parties. For example, overspends in a council-funded area of service may be driven by increased "high outcome" activity which delivers reduced demand in an NHS-funded area of service, given the benefits of "preventative care". There is no consideration for this in the integration scheme.

Going Concern

The annual accounts are prepared on a going concern basis. Both partnerbodies have identified their financial challenges and put in place savings plans. As appointed auditor to PKC we have reported positively on its financial management arrangements and its proactive monitoring of budgets and savings.

Management consider it appropriate to continue to adopt the going concern assumption for the preparation of the annual accounts, supported by factors including:

- The regulations governing the IJB include reference to the entity following appropriate accounting practice, which is the 2020-21 Code. This code states that the entity shall prepare accounts on a going concern basis
- The Integration Scheme provides that all overspends shall ultimately be met by the partner bodies. Given that the positions of NHS Tayside and Perth and Kinross Council are also going concerns, management believe that the partnerbodies have sufficient ability to meet any liability that falls due.

We consider that the Scottish Government is likely to continue to support NHS Tayside due to service users' needs, and the legislation is place to ensure the Tayside region has an NHS health board. In light of this position, the strong management of resources and the commitment from the two partner organisations we concur with the going concern basis.

Financial sustainability (continued)

Financial sustainability

Management have provided four updates to Board members during the pandemic, with a further update to be provided at the end of September. Reporting to members was in addition to the regular financial assessments submitted to the Scottish Government, which covered both Health and Social Care elements via NHS Tayside.

In June 2021, the Chief Officer reported projected additional costs totalling £8.3 million as summarised below:

20/21 Costs	£m
Provider Sustainability Payments	3.6
Unachieved Savings	1.2
Additional FHS Payments – GP Practices	0.6
Additional Staffing	0.6
Loss of Income	0.4
Angus/Dundee Hosted Services *	0.3
Mental Health	0.1
Care at Home / Care Home	0.3
Personal Protective Equipment(PPE)	0.2
Prescribing	0.2
Additional Hospital Bed Capacity	0.2
Management Capacity	0.1
Support to Care Homes	0.0
Delayed Discharge Co-ordination	0.0
Other Community Care Provision	0.1
IT /Equipment	0.1
Communications	0.0
Prison Health *	0.1
Total Costs	8.3

* IJB share of hosted service cost

DRAFT

The costs in Social Care and Health service delivery for COVID-19 specific activities have been met by the Scottish Government and the IJB's expenditure reflects the additional costs incurred as a result of Covid-19. Throughout 2020-21, Perth and Kinross Council recognised pressures and costs highlighted by the IJB, and the IJB continue to work with the Council to plan and budget for these ongoing pressures.

Governance arrangements

As part of its response to the COVID-19 lockdown, there were some changes to the IJB's governance structure.

The Chief Officer was a member of both partners' Gold Command structure, which saw senior officers having authority to make decisions in response to a changing environment. Particularly at the Council, this included the use of emergency powers which were subsequently ratified by Council members.

The IJB have embraced virtual meetings quickly to ensure Board members have the same level oversight of management as they had prior to the pandemic. This is, in our opinion, is best practice.

Conclusion

The 2020-21 budget was set in March 2020 based on the understanding that the huge uncertainty over Covid-19 would be funded by additional income. This budget set out a very early indication of the expected COVID-19 expenditure and the Scottish Government funding to be received.

There is also a three year comprehensive income and expenditure budget in development for 2022-25 which reflects management's intent to support medium term financial planning. This will allow the IJB to better facilitate the extra community demands and significant Scottish Government funding provided.

Governance and transparency

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

Governance framework

The integration scheme arrangement between PKC and NHS Tayside sets out the key governance arrangements. The Board is responsible for establishing arrangements for ensuring the proper conduct of the affairs of the IJB and for monitoring the adequacy of these arrangements.

The Board and Audit and Performance Committee hold meetings on a regular basis throughout the year. We review minutes from each to assess their effectiveness. We also periodically attend meetings of the Audit and Performance Committee for the purpose of presenting our findings and statutory reports. From attendance at these meetings, we consider scrutiny to be effective. For 2020-21 all Board meetings were attended remotely by all participants.

The IJB used CIPFA Guidance: Delivering Good Governance in Local Government Framework to review its governance arrangements, and this included carrying out a self-assessment review of the IJB's governance arrangements. This provided assurance that key governance policies and arrangements are in place, and an improvement action was identified for any high or medium risk findings.

During March 2020, a working group of Board members and officers met to being a review of the governance structure and Standing orders. The working group agreed to develop key themes. There has been some progress; there is now a member of the public on the Board, and another recognised as a substitute. However, there remains key differences in priorities between and within NHS and Council members which require compromise to deliver an improved framework based on the evolution of the IJB since inception.

Membership

We note that since inception of the IJB there has been significant change in membership. We included this as a low risk area in the 2017-18 report, and membership changes have continued. However the turnover of staff through 2020-21 has been far lower; 15 members have continued in office during 2020-21, with three new members, none of whom are voting members of the Board.

DRAFT

Member instability affects the Board's ability (through understanding and experience) and capacity, to fully scrutinise, challenge and support management. It also inherently takes time for members to fully understand the IJB and its activities.

Management ensures that new members are appropriately trained, as highlighted on page 16. We have not identified deficiencies in member scrutiny and challenge during the year and it is clear that members are aware that their role is challenging and they have a steep learning curve to ensure that they can fully deliver on their role. The IJB has a significant period of adjustment to meet the needs of the community in the aftermath of the pandemic and is facing significant cost and demand pressures moving forward. Members will need to make important decisions moving forward around the ambitions of the Strategic Commissioning Plan, in particular the future shape and scale of service delivery. In this context, member continuity and experience is important.

Internal audit

The IJB has an internal audit function which undertakes reviews at both the IJB level and the local authority level. NHS Tayside has its own internal audit function, however any reviews specific to the IJB are shared with the Board and Audit and Performance Committee.

The internal audit function is carried out by the Fife, Tayside and Forth Valley internal audit service, in conjunction with PKC's internal audit in its role as PKC internal auditors. From 1 April 2019, the internal audit function has been carried out by PKC's internal auditors, with the Chief Internal Auditor being selected from PKC. In July 2020, the Board approved the re-appointment of the Chief Internal Auditor.

Internal audit provides the IJB and section 95 officer with independent assurance on the IJB's overall risk management, internal control and corporate governance processes.

The Chief Internal Auditor concluded in the 2020-21 annual audit report that sufficient work was completed during the year, to enable them to conclude that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system. We concurred with these findings and found no deficiencies.

Governance and transparency (continued)

DRAFT

Risk management

In 2016, the three IJBs within the Tayside area agreed a risk management strategy, in conjunction with their respective partner bodies. A strategic risk management framework and risk register were developed, which were considered at the Audit and Performance Committee in November 2018.

In 2020 a COVID-19 risk register was established to allow short-term prioritisation of Scottish Government funding. This specific risk register has now been amalgamated with the overall risk register as it has become clear that the IJB will be undertaking COVID-19 affected work for the foreseeable.

System of internal control

Perth and Kinross Council and NHS Tayside are the partner bodies. All financial transactions of the IJB are processed through the financial systems of the partner bodies and are subject to the same controls and scrutiny as the Council and Health Board, including the work performed by internal audit.

Fraud

Arrangements are in place to ensure that suspected or alleged frauds or irregularities are investigated by one of the partner bodies internal audit sections. Since the Board does not directly employ staff, investigations will be carried out by the internal audit service of the partner body where any fraud or irregularity originates. NHS Tayside can also call on the expertise of Counter Fraud Services provided through NHS National Services Scotland.

Audit Scotland area of focus: Fraud and corruption in procurement

As part of our audit strategy we have carried out work in respect of fraud and corruption within procurement. We have discussed and reviewed the IJB's processes to manage the risk from its partnerbodies.

Due to the nature of the IJB, it has no procurement function, instead relying on the procurement functions of its partner bodies to deliver the services delegated to it. KPMG applied the principles of the area of focus to the IJB in order to assess how the IJB obtains its own assurances that procurement contracts falling within the IJB's remit are sufficiently controlled in respect of fraud and corruption.

Management do not include the risk of fraud or corruption on the risk register, but will continue to assess the risk going forward. Management are in a position where by the internal audit functions of its partner bodies also provide assurance to the Chief Internal Auditor of the IJB. Going forward there is also an agreement with the internal auditors of the partner bodies that all internal audit work completed that was relevant to the operations of the IJB will be shared with the IJB Board.

As part of its annual process, the IJB obtain assurances from its partner bodies over their own processes and procedures. Management agreed to amend this assurance letter specifically to cover the fraud and corruption risk that inherently exists in the partner bodies so that those charged with governance had assurance that partners had adequate systems and controls in place.

The IJB has obtained this assurance letter from both of the partner bodies that confirms their procurement practices are robust and mitigate fraud or corruption for 2020-21.

Conclusion

The IJB has effective scrutiny and governance arrangements, supported by joint internal audit staff from both partners, and with adequate focus on risk management. The IJB conducts its business in an open and transparent manner.

The arrangements in place to investigate and prevent fraud are appropriate.

Membership of the IJB remains unstable. Further changes to membership to voting members could significantly impair the IJB's ability to operate effectively.

Value for money

DRAFT

Value for money (“VfM”) is concerned with using resources effectively and continually improving services.

The Public Bodies (Joint Working) (Scotland) Act 2014 sets out a broad framework for creating integration authorities. This allowed boards a flexibility to enable them to develop integrated services that best suited local circumstances.

The integration scheme specifies the range of functions delegated by PKC and NHS Tayside to the IJB. The IJB is responsible for establishing effective arrangements for scrutinizing performance, monitoring progress towards their strategic objectives, and holding partners to account.

Performance indicators

As part of the IJB’s arrangements to consider value for money, management produce and present an annual performance report to the Board. The report links performance of the five IJB objectives against the nine national health and wellbeing outcomes as set out in the strategic commissioning plan.

The partnership objectives cover:

- prevention and early intervention;
- person-centred health, care and support;
- working together with our communities;
- reducing inequalities and unequal health; and
- making best use of available facilities, people.

The annual report highlights the strength and weaknesses of the IJB against historic performance, and performance against the Scottish average. From a review of the annual performance report, the IJB is performing favourably compared to the Scottish average, and have largely improved against previous regional results.

Value for money in key decisions

The board considers and discusses difficult decisions throughout the year as appropriate. For example, the transformational change projects to prioritise. These are supported by options appraisals and business cases where appropriate.

Strategic and corporate planning

The Strategic Commissioning Plans Guidance published by the Scottish Government in 2015 sets out an expectation that developing and updating strategic plans should be part of an iterative, cyclical process. The IJB produced and approved a refreshed Strategic Commissioning Plan in 2019 that covers the period 2019-2022.

As part of the Scottish Government’s requirement for the IJB to report regularly on its Remobilisation Plan, management recognised the ability to link this plan to the Strategic Commissioning Plan’s (‘SCP’) objectives. As part of this, management have been able to report progress on both the SCP’s objectives and the Remobilisation Plan. Management remain committed to aligning the completion of fourth Remobilisation Plan with the SCP. Management report to public and members of the Board its progress on the SCP through its Annual Performance Report.

The plan aligns the Scottish Government’s nine national outcomes against the objectives of the IJB. The plan also highlights what residents of Perth and Kinross can expect from the refreshed plan.

Additionally the IJB has completed a one year workplan at the behest of the Scottish Government for 2020-21. The plan highlighted key gaps in corporate capacity which management continue to mitigate and fill where possible. This plan includes clear explanation for the overarching goal and planned solutions to deliver against the national outcomes. We have recommended management take the findings of the workforce plan and work towards filling these key gaps.

Recommendation three

Conclusion

Overall, we consider that the IJB has appropriate arrangements for using resources effectively and continually improving services.

The workforce plan was completed in the year and used by the Chief Officer to highlight key gaps in corporate capacity, and we are satisfied that management continue to work to resolve these gaps. We consider this work undertaken is important in order to ensure the effectiveness of the IJB and that officers are able to form strategic and corporate approaches for consideration by the IJB members.

Appendices

Appointed auditor's responsibilities

DRAFT

AREA	APPOINTED AUDITOR'S RESPONSIBILITIES	HOW WE HAVE MET OUR RESPONSIBILITIES
Statutory duties	Undertake statutory duties, and comply with professional engagement and ethical standards.	<i>Appendix two outlines our approach to independence.</i>
Financial statements and related reports	Provide an opinion on audited bodies' financial statements and, where appropriate, the regularity of transactions. Review and report on, as appropriate, other information such as annual governance statements, management commentaries, and remuneration report.	<i>Page eight summarises the opinions we have provided. Page 12 reports on the other information contained in the financial statements, covering the annual governance statement, management commentary and remuneration report</i>
Financial statements and related reports	Notify the Auditor General or Controller of Audit when circumstances indicate that a statutory report may be required.	<i>Reviewed and concluded on the effectiveness and appropriateness of arrangements and systems of internal control, including risk management, internal audit, financial, operational and compliance controls.</i>
Wider audit dimensions	Demonstrate compliance with the wider public audit scope by reviewing and providing judgements and conclusions on the audited bodies': <ul style="list-style-type: none"> - Effectiveness in the use of public money and assets; - Suitability and effectiveness of corporate governance arrangements; - Financial position and arrangements for securing financial sustainability; - Effectiveness of arrangements to achieve best value; and - Suitability of arrangements for preparing and publishing statutory performance information 	<i>We have set our conclusions over the audit dimensions on page 14.</i>

Auditor independence

DRAFT

Assessment of our objectivity and independence as auditor of Perth and Kinross Integration Joint Board ("the IJB")

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity



Independence and objectivity considerations relating to the provision of non-audit services

Summary of fees

We have considered the fees charged by us to the entity for professional services provided by us during the reporting period.

Total fees charged by us for the period ending 31 March 2021 can be analysed as follows:	2020-21 £	2019-20 £
Audit of IJB financial statements	21,580	20,950
Total audit services	21,580	20,950
Non-audit services	-	-
Total	21,580	20,950

There were no non-audit services provided during the year to 31 March 2021.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the IJB.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.








This report is intended solely for the information of the IJB and should not be used for any other purposes.








We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully,

KPMG LLP

Required communications with the IJB Board

Type	Response
Our draft management representation letter	 We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2021.
Adjusted audit differences	 There were no adjusted audit differences.
Unadjusted audit differences	 There were no unadjusted audit differences.
Related parties	 There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit and Performance Committee	 There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	 We did not test any internal controls during our audit, and therefore have no deficiencies to report. Management retain the responsibility for maintaining an effective system of internal control.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	 No actual or suspected fraud involving group or component management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements were identified during the audit.

Type	Response
Significant difficulties	 No significant difficulties were encountered during the audit.
Modifications to auditor's report	 There were no modifications to the auditor's report.
Disagreements with management or scope limitations	 The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	 No material inconsistencies were identified related to other information in the annual report, management commentary and annual governance statement. The management commentary is fair, balanced and comprehensive, and complies with the law.
Breaches of independence	 No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices	 Over the course of our audit, we have evaluated the appropriateness of the IJB's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Key audit matters discussed or subject to correspondence with management	 The key audit matters (summarized on pages ten and 11) from the audit were discussed with management.

DRAFT

Recommendations

DRAFT

We follow up prior-year audit recommendations to determine whether these have been addressed by management. The table below summarised the recommendations made during the 2019-20 final audit and their current status.

Grade	Number recommendations raised	Implemented	In progress	Overdue
Final	3	1	2	-

We have provided a summary of progress against 'in progress' actions below, and their current progress.

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions	Status
1. Achievement of reserves strategy	Grade two		
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.	We recommend the IJB and its partners work towards developing a plan to achieve the reserves outlined in its strategy.	<p>Management response: Agreed. To be developed in line with the three year financial plan in order to set out delivery of the reserves strategy aims.</p> <p>Responsible officer: Head of Finance and Corporate Services</p> <p>Implementation date: 31 March 2022</p>	<p>Partially Implemented</p> <p>The IJB is in a positive reserves situation due to an underspend of £12.7 million in the year. This is due to the exceptional Scottish Government COVID-19 funding, other government funding and underspends on budget.</p> <p>We recognise the significant achievement by management to present an initial one year COVID-19 impact balanced budget to the Board on 31 March 2021 and the development comprehensive three year budget to March 2025.</p>

Recommendations (continued)

DRAFT

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions	Status
2. Risk sharing agreement	Grade one		
<p>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 agreement between partners on how any overspend may be shared and we understand discussions have been limited.</p> <p>2020-21 update: We understand that there is a revision process underway of the integration scheme in line with Scottish Government requirements between the IJB and its partners. We will continue to assess progress against best value and effective integration arrangements.</p> <p>It is generally recognised that proportionate risk sharing facilitates effective integration.</p>	<p>We recommend that partners are requested formally agree the approach for overspends on an annual basis in advance of the financial year on which agreement is sought.</p> <p>Consistency of approach, and consideration of third party guidance should be included as part of the agreement.</p>	<p>Management response: A review of the full integration scheme is underway, and we will continue to assess changes and proposals from partners.</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31 March 2022</p>	<p>Partially implemented</p> <p>No formally documented position has been reached with ongoing discussion between partners underway in respect of a full review of the integration scheme.</p> <p>Auditor response: We will continue to review this Grade One action point, and will report on progress as part of our 2021-22 annual audit report.</p>
3. Strategic and corporate planning capacity	Grade three		
<p>As reported on page 31, management have carried out implementing our recommendation to develop a workforce plan.</p> <p>Through discussion with management, there is a need to address the findings in the workforce plan, which include filling posts where key gaps in management's capacity have been identified.</p>	<p>It is recommended that management continues with its progress on filling the key gaps identified as part of its workforce plan.</p>	<p>Management response: Agreed</p> <p>Responsible officer: Chief Officer</p> <p>Implementation date: 31 March 2022</p>	<p>New recommendation for 2020-21</p>

Prior Year Recommendations

DRAFT

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions	Status
1. Strategic and corporate planning capacity	Grade one		
<p>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.</p> <p>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.</p> <p>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.</p> <p>In addition, it was 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.</p>	<p>It is recommended that management:</p> <ul style="list-style-type: none"> — completes its planned review of current leadership and management arrangements to ensure sufficient strategic planning capacity.; and — prepares a workforce plan. 	<p>Management response:</p> <p>Agreed. 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.</p> <p>The IJB 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.</p>	<p>Implemented</p> <p>The workforce plan was prepared for the Scottish Government and submitted on 30/06/2021. We have reviewed the submission and the feedback from the Scottish Government and can conclude that the workplan includes a sufficiently detailed corporate plan for the different employee service streams.</p>



The contacts at KPMG in connection with this report are:

Michael Wilkie

Director

Tel: 0141 300 5890

michael.wilkie@kpmg.co.uk

Christopher Windeatt

Manager

Tel: 0131 451 7738

christopher.windeatt@kpmg.co.uk

Lucy Preston

Assistant Manager

Tel: +447825 866411

lucy.preston@kpmg.co.uk



© 2021 KPMG LLP, a UK limited liability IJB and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.



Perth & Kinross Health and Social Care Partnership
3rd Floor
2 High Street
Perth
PH1 5PH

Enquiries to	Jane Smith
Extension/Direct Line:	01738 459542
Email	janemsmith@nhs.net
Your Ref	
Our Ref	JMS/PJ
Date	13 September 2021

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Dear KPMG LLP,

This representation letter is provided in connection with your audit of the financial statements of Perth and Kinross Integration Joint Board ("the IJB"), for the year ended 31 March 2021, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the IJB's affairs as at 31 March 2021 and of the IJB's income and expenditure for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21; and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Local Governance (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

These financial statements comprise the Balance Sheet, the Statement of Comprehensive Income and Expenditure, Movement in Reserves Statement and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 31 May 2016, for the preparation of financial statements that:
 - i. give a true and fair view of the state of the IJB's affairs as at the end of its financial year and of its income and expenditure for that financial year;

- ii. have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs") as interpreted and adapted by the Code of Practice of Local Authority Accounting in the United Kingdom 2020/21; and
- iii. have been prepared in accordance with the requirements of the the Local Governance (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

The financial statements have been prepared on a going concern basis.

- 2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- 3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.

Information provided

- 4. The Board has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Board for the purpose of the audit; and
 - unrestricted access to persons within the IJB from whom you determined it necessary to obtain audit evidence.
- 5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 6. The Board confirms the following:
 - i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Board has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the IJB and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) Allegations of fraud, or suspected fraud, affecting the IJB's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

7. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
8. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you the identity of the IJB's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.

10. The Board confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the IJB's ability to continue as a going concern as required to provide a true and fair view and to comply with IAS 1 *Presentation of Financial Statements*.
- b) No material events or conditions exist that may cast significant doubt on the ability of the IJB to continue as a going concern.

This letter was tabled and agreed at the meeting of the Audit and Performance Committee on 13 September 2021.

Yours faithfully,

Head of Finance and Corporate Services

Appendix to the Board Representation Letter of Perth and Kinross Integrated Joint Board Definitions

Financial Statements

IAS 1.10 states that “a complete set of financial statements comprises:

- a balance sheet as at the end of the period;
- a statement of comprehensive income and expenditure for the period;
- a statement of movement in reserves in the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and
- a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A-40D.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity’s general purpose financial statements

requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.

Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial statements for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena."

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled, or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.



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

Report No. G/21/113

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 21 st 2021	August 2 nd 2021	September 13 th 2021	December 13 th 2021	March 7 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 2022/23		✓	HOFCs					✓
Internal Audit Reports 2020/21:								
• Corporate Support PKIJB 20-02		✓	Chief Internal Auditor				✓	
Internal Audit Reports 2021/22:								
• Leadership Capacity PKIJB 21-01		✓	Chief Internal Auditor					✓
• Primary Care Improvement PKIJB 21-02		✓	Chief Internal Auditor					✓
Internal Audit Plan 2022/23		✓	Chief Internal Auditor					
Internal Audit Plan Progress Report	✓		Chief Internal Auditor	✓		✓	✓	✓
External Audit Strategy		✓	External Auditor					✓
External Audit – Proposed Audit Fee 2021/22		✓	HOFCs					TBC
External Audit Annual Report 2020/21		✓	External Auditor			✓		
Appointment of External Auditors		✓	HOFCs					TBC

Performance								
Locality Update:								
• South Locality		✓	Heads of Service					✓
• Perth City Locality		✓	Heads of Service				✓	
• North Locality		✓	Heads of Service					✓
Financial Position	✓		HOFCs	✓		✓	✓	✓
HSCP Key Strategic Performance Indicator Quarterly Report	✓		Chief Officer	✓		✓	✓	✓
Annual Performance Report		✓	Chief Officer		✓			

Item	Standing Item	Non Standing Item	Responsibility	June 21 st 2021	August 2 nd 2021	September 13 th 2021	December 13 th 2021	March 7 th 2022
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			✓		
Assurances Received from Partners		✓	HOFCS			✓		
For Information								
Audit & Performance Committee Record of Attendance	✓		For information	✓	✓	✓	✓	✓
Audit & Performance Committee Work Plan	✓		For information	✓	✓	✓	✓	✓



Record of Attendance 1 April 2021 - 31 March 2022

Members

Name	Designation	Organisation	21 Jun 21	02 Aug 21	13 Sep 21	13 Dec 21	07 Mar 22
Councillor Callum Purves	Elected Member	Perth & Kinross Council	PRESENT	PRESENT			
Bernie Campbell	Carer's Representative	Public Partner	APOLOGIES	PRESENT			
Councillor John Duff	Elected Member	Perth & Kinross Council	PRESENT	PRESENT			
Ronnie Erskine	Non Executive Director	NHS Tayside	APOLOGIES	APOLOGIES			
Pat Kilpatrick	Non Executive Director	NHS Tayside	PRESENT	APOLOGIES			

In Attendance

Name	Designation	Organisation	21 Jun 21	02 Aug 21	13 Sep 21	13 Dec 21	07 Mar 22
Gordon Paterson	Chief Officer	P&K HSCP	PRESENT	PRESENT			
Jane Smith	Chief Financial Officer	P&K HSCP	PRESENT	PRESENT			
Councillor Eric Drysdale	Elected Member	Perth & Kinross Council	PRESENT	PRESENT			
Bob Benson ²	Non Executive Director	NHS Tayside	PRESENT	PRESENT			
Evelyn Devine	Head of Health	P&K HSCP	PRESENT				
Phil Jerrard	Governance & Risk Coordinator	P&K HSCP	PRESENT	PRESENT			
Fiona Low	Business & Resources Manager	P&K HSCP	PRESENT	PRESENT			
Marc Grant	Finance Team Leader	P&K HSCP	PRESENT				
Scott Hendry	Team Leader (Committee Services)	Perth & Kinross Council		PRESENT			
Adam Taylor	Assistant Committee Officer	Perth & Kinross Council	PRESENT				
K Mollet	Corporate and Democratic Services	Perth & Kinross Council		PRESENT			
Magda Pasternack	Corporate and Democratic Services	Perth & Kinross Council	PRESENT				
Audrey Brown	Corporate and Democratic Services	Perth & Kinross Council	PRESENT	PRESENT			
Jackie Clark	Chief Internal Auditor	Perth & Kinross Council	PRESENT				
Maureen Summers ³	Carer's Representative	Public Partner	PRESENT				
Chris Jolly	Service Manager	P&K HSCP	PRESENT	PRESENT			
Kenny Ogilvy	Acting Head of Service ASWSC Operations	P&K HSCP	PRESENT	PRESENT			
Angie McManus	AHP Lead	P&K HSCP		PRESENT			
Zoe Robertson	Acting Head of Service ASWSC	P&K HSCP	PRESENT				
Donald MacPherson ¹	Non Executive Director	NHS Tayside	PRESENT	PRESENT			

1. Substituted for R. Erskine 21/6/21 & 2/8/21 2. Substituted for P. Kilpatrick 21/6/21 3. Substituted for B. Campbell 21/6/21

