



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

22 June 2020

ANNUAL GOVERNANCE STATEMENT

Report by Chief Financial Officer (G/20/68)

PURPOSE OF REPORT

The purpose of the report is to seek approval of the Annual Governance Statement for the financial year 2019/20 which provides assurance as to the effectiveness of the Integration Joint Board's (IJB) governance framework and in particular the system of internal control.

1. INTRODUCTION

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

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

- 1.5 The Annual Governance Statement for 2019/20 (Appendix 1), once approved, will form part of the unaudited Annual Accounts.

2. GOVERNANCE ASSURANCE PROCESS

- 2.1 The process for reviewing the integrity and effectiveness of our governance arrangements to inform the AGS has been led by the Chief Financial Officer. Evidence has been gathered by way of self-assessment which has been scrutinised by the Chief Financial Officer and the Executive Management Team.
- 2.2 The self-assessment identified areas of progress such as the approval of the refreshed Strategic Commissioning Plan, development of the PKHSCP Performance Framework and the re-establishment of the PKHSCP Transformation Board. The self assessment also considered the changes to governance arrangements required in response to Covid-19.
- 2.3 Further, the Chief Officer and Executive Management Team have developed a comprehensive Partnership Improvement Plan consolidating key actions identified as part of internal and external assessment to further improve governance. This will be reviewed in light of the requirements of Covid 19 to ensure effective ongoing governance.

3. GOVERNANCE ISSUES

- 3.1 The assurance process demonstrated that the IJB has in place adequate internal controls that are considered fit for purpose in accordance with the governance framework.
- 3.2 The process has been successful in identifying areas and controls that would benefit from further development to ensure that they can manage and mitigate current and emerging risks more effectively.
- 3.3 These will form key elements of the Partnership Improvement Plan as it rolls forward to 2020/21. Updates on progress will be provided to each meeting of the IJB's Audit & Performance Committee alongside the Strategic Risk Register and mitigating actions.

4. RECOMMENDATION

4.1 It is recommended that the Committee:

- (i) Approve the 2019/20 Annual Governance Statement for inclusion in the unaudited Annual Accounts.

Author(s)

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APPENDICES

1. Annual Governance Statement 2019/20