

# **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 in the Council Chambers, Ground Floor, Council Building, 2 High Street, Perth on Tuesday 18 June 2019 at 2.00pm.

**Present:** Councillors C Purves (Chair) and E Drysdale (both Perth and Kinross Council) and B Campbell, Carer Public Partner.

**In Attendance:** R Peat, Tayside NHS Board, NHS Tayside; G Paterson, Chief Officer; J Smith, Chief Financial Officer; D Mitchell and P Jerrard (both Perth and Kinross Health and Social Care Partnership); A Taylor, Democratic Services, Perth and Kinross Council; T Gaskin, Chief Internal Auditor, Perth and Kinross IJB; and J Clark, Chief Internal Auditor, Perth and Kinross Council.

**Apologies:** Ms L Birse-Stewart, Tayside NHS Board; D Fraser, H Dougall, E Devine, A Wood and M Rapley (all Perth and Kinross Health and Social Care Partnership).

## **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**

In terms of the Perth and Kinross Integration Joint Board Code of Conduct, Councillor E Drysdale declared a non-financial interest in Item 5.1 on the agenda as Convener of the Perth and Kinross Council Audit Committee.

## **3. MINUTES OF PREVIOUS MEETING**

### **3.1 MINUTE OF MEETING OF THE AUDIT AND PERFORMANCE COMMITTEE OF 19 FEBRUARY 2019**

The minute of meeting of the Audit and Performance Committee of the Perth and Kinross Integration Joint Board of 19 February 2019 was submitted and approved as a correct record.

Councillor Purves advised that it was the intention that future minutes of the meetings of the Audit and Performance Committee be more detailed moving forward in line with other Audit Committees to capture the essence of the conversation rather than just recording the decisions taken. It is hoped that this will allow interested parties, including any member who may have sent apologies, a fuller understanding of the business discussed.

He further advised that this reflects a recommendation from the 2018/19 Annual Internal Audit Report.

### **3.2 ACTION POINTS UPDATE**

The Action Point Update (Report G/19/97) from the meeting of 19 February 2019 was submitted and noted.

### **3.3 MATTERS ARISING**

R Peat made reference to the development sessions arranged for IJB members and sought some clarity around these. He commented that it would be helpful to have a shared understanding of what the topics of these development sessions would be and requested that any paper work produced either before or during the sessions could be sent out to members.

Councillor Drysdale advised that he was happy to hear confirmation from the Chief Officer that an increased focus on the performance aspect of this committee will happen as we move forward, and reiterated the need for this after referencing the agenda for this meeting as having several papers but none about actual performance reporting.

In response, Councillor Purves stated that it was intended that papers on the OPUSC and Primary Care Boards were to be on the agenda for this meeting but advised that unfortunately these were not ready in time.

J Smith added that each Programme Board is currently at a different stage of development but advised that it was intended that a number of performance reports on these various Boards would be on the agenda for the September meeting of this Committee. Further to this Councillor Purves advised that he would like an update from each locality to come to this Committee, at least once per year, on how these are currently performing.

## **4. GOVERNANCE AND ASSURANCE**

### **4.1 INTERNAL AUDIT REPORT ON STRATEGIC PLANNING**

There was submitted a report by the Chief Internal Auditor (G/19/95) evaluating whether appropriate systems were in place and operating effectively to mitigate risks to the achievement of the services objectives as detailed in the Strategic Plan.

The Chief Officer expressed his thanks to the auditors for their report which has proved very helpful to him in identifying quite clearly some of the challenges that exist. He provided assurance to the members that the IJB were now embarking on a programme to deliver a new strategic plan which will be co-produced with communities, stakeholders and strategy groups which will provide the partnership with a strategic direction for the coming three years. He further advised it was hoped that the new strategic plan would be delivered to the IJB at its meeting in September.

In response, Councillor Purves commented that although it would have been good to have delivered the strategic plan on time there have been some benefits to the delay in that the draft that had been produced was able to benefit from more engagement with members and the wider public.

**Resolved:**

The contents of Report G/18/33 be noted.

## **4.2 STRATEGIC RISK MANAGEMENT**

There was submitted a report by the Chief Financial Officer (G/19/98) updating on progress in managing the high level IJB Strategic Risk Management Profile.

Councillor Drysdale made reference to the risk register and queried whether the due date of treatment action 6 should read 2020 instead of 2019. The Chief Financial Officer confirmed that this was indeed a typo and would get this rectified on the risk register.

**Resolved:**

- (i) The reduction in the Finance Risk score and the further actions identified be noted.
- (ii) It be noted that a full update of the Strategic Risk Profile for all other areas will be undertaken to ensure a 'golden thread' between the plan to improve the arrangements in place to deliver the objectives of the IJB and the reduction in overall risk exposure.

## **4.3 TRANSFORMATION GOVERNANCE ACTION PLAN 2018-19**

There was submitted a report by the Chief Financial Officer (G/19/99) updating on the progress of the Transforming Governance Action Plan 2018/19.

Councillor Purves made reference to the use of Directions and queried how the recent workshops that had been arranged for officers had gone. In response the Chief Financial Officer advised that it was intended to hold one workshop for officers with a further workshop organised for members, however the workshop for members was subsequently postponed to enable a session on the Strategic Plan to be held. She further advised that a briefing note has been produced on the use of Directions which will be issued with the agenda and papers for the next meeting of the IJB as this will be the first time that the IJB will be formally asked to consider any Directions issued.

R Peat made reference to Action Point 13 – Review of the Clinical Care and Professional Governance Approach and noted that this was marked as complete and queried whether a date had been arranged for the first meeting of the Clinical Care and Professional Governance Committee. In response the Chief Officer confirmed that he was in the process of arranging a meeting with Councillor Stewart as Chair of the Committee, Hamish Dougall and Jacqui Pepper in order to progress this.

**Resolved:**

- (i) The progress of the Transforming Governance Action Plan 2018/19 be noted.
- (ii) It be noted that outstanding actions will be incorporated in the wider Partnership Improvement Plan moving forward.

#### **4.4 UPDATE: AUDIT RECOMMENDATIONS**

There was submitted a report by the Chief Financial Officer (G/19/100) providing an progress update 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:**

The progress made to date on implementing agreed recommendations be noted.

#### **4.5 MINISTERIAL STRATEGIC GROUP FOR HEALTH AND COMMUNITY CARE 'REVIEW OF PROGRESS WITH INTEGRATION OF HEALTH & SOCIAL CARE – PERTH & KINROSS IJB SELF ASSESSMENT'**

There was submitted a report by the Chief Officer (G/19/101) presenting the Ministerial Strategic Group for Health and Community Care "Review of Progress with Integration of Health & Social Care – P&K IJB Self Evaluation".

Councillor Drysdale expressed his thanks for the clarity and readability of the report. He referenced Key Feature 1 – Collaborative Leadership and Building Relationships on page 56 of the report and queried who provides the IJB and the HSCP with any legal advice required. In response the Chief Officer confirmed that in relation to the organisation of the IJB the administration of the work and compliance with the integration scheme, support is provided by Legal Services from Perth and Kinross Council, he further advised that with regards to any delegated or hosted services there will be occasions where advice will be sought from the Legal Office of NHS Tayside in relations to the functions we perform, commission or deliver on their behalf.

Councillor Drysdale also made reference to Key Feature 2 – Integrated Finance and Financial Planning on page 62 of the report and queried whether the number of joint discussions that have taken place around budget-setting and financial recovery planning in 2018-19 involving Chief Executives and Senior Finance colleagues were multi-lateral or bi-lateral. In response the Chief Financial Officer confirmed that these were joint meetings which proved very productive in putting the financial recovery at the heart of the discussions and for the first time having a truly integrated discussion.

**Resolved:**

- (i) The results of the self-evaluation exercise within the attached template, Appendix 1 to Report G/19/101, be noted.
- (ii) It be noted that the Integration Joint Board Management Team include the key actions set out in the self-assessment as part of its wider Partnership Improvement Plan.

#### **4.6 18-22 – INTERNAL AUDIT REPORT**

There was submitted a report by the Chief Internal Auditor, Perth and Kinross Council (19/159) on an audit to ensure that the Council has adequate arrangements in place for implementation of the Carers (Scotland) Act 2016.

**Resolved:**

Internal Audit's findings, as detailed in Report 19/159, be noted.

#### **4.7 APPOINTMENT OF INTERNAL AUDITORS 2019/20 – 2021/22**

There was submitted a report by the Chief Financial Officer (G/19/102) seeking approval of the proposed Internal Audit Arrangements for the Integration Joint Board for 2019/20 for a period of 3 years.

**Resolved:**

- (i) The appointment of Jackie Clark as Chief Internal Auditor be approved.
- (ii) Perth and Kinross Council Internal Audit Services and Fife, Tayside and Forth Valley Internal Audit Services be approved as the Integration Joint Board's Internal Auditors for 2019/20 for a period of 1 year.

#### **4.8 CHIEF INTERNAL AUDITORS ANNUAL REPORT AND ASSURANCE STATEMENT 2018/19**

There was submitted a copy of the Chief Internal Auditor's Annual Internal Audit Report 2018/19 (G/19/96) for the Perth and Kinross Integration Joint Board. T Gaskin, Chief Internal Auditor, provided the Board with a summary of the report.

Councillor Drysdale queried whether there is an actual memorandum of understanding for hosted services exists. In response the Chief Financial Officer confirmed there is currently no formally agreed memorandum of understanding in place, she further advised that a draft memorandum of understanding exists and we are currently working with informal mechanisms for the sharing of information with the exception of financial information where a formal mechanism does exist.

**Resolved:**

The contents of Report G/19/96, and the Chief Internal Auditor's conclusion that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2018/19, be noted.

### **5. DRAFT ANNUAL ACCOUNTS 2018/19**

#### **5.1 ANNUAL GOVERNANCE STATEMENT**

There was submitted a report by the Chief Financial Officer (G/19/103) seeking approval of the Annual Governance Statement for financial year 2018/19 which provides assurance as to the effectiveness of the Integration Board's governance framework and in particular the system of internal control.

**Resolved:**

- (i) The 2018/19 Annual Governance Statement be approved.
- (ii) It be agreed that a letter to the Chairs of NHS Tayside and Perth and Kinross Council Audit Committee be issued confirming that adequate and effective governance arrangements were in place through the Perth and Kinross Integration Joint Board during the year 2018/19.

## **5.2 UNAUDITED ANNUAL ACCOUNTS 2018/19**

There was submitted a report by the Chief Financial Officer (G/19/104) presenting the Unaudited Annual Accounts for the financial year 2018/19 in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

**Resolved:**

The Unaudited Accounts be approved and passed to the Integration Joint Board for their consideration.

## **6. PERFORMANCE**

### **6.1 2018/19 FINANCIAL STATEMENT**

There was submitted a report by the Chief Financial Officer (G/19/105) Providing an update on the year-end outturn for 2018/19.

**Resolved:**

- (i) The overall year-end overspend of £1.160m for Perth and Kinross Integration Joint Board for 2018/19 be noted.
- (ii) It be noted that the overspend compares to a gap of £0.920m in the Board's approved Financial Plan for 2018/19.
- (iii) It be noted that the overspend compares to a £4.200m forecast overspend before implementation of recovery plan actions.
- (iv) It be noted that NHS Tayside (NHST) and Perth & Kinross Council (PKC) has allocated additional budget of £0.319m and £0.841m respectively to allow the Board to break-even in line with the Integration Scheme.
- (v) It be noted that for core health and social care services, savings of £4.802m have been delivered against a target of £5.325m. The in year gap of £0.523m will reduce to £0.311m on a full year basis.
- (vi) It be noted that earmarked reserves of £2.470m will be carried forward to meet future year commitments in relation to a number of Scottish Government priority areas for investment.

### **6.2 CORPORATE PERFORMANCE FRAMEWORK**

The Chief Financial Officer provided a verbal update on the Corporate Performance Framework. She advised that the first corporate performance report was submitted to the last meeting of the Committee and provided the group with an overview of the discussions and changes that have been implemented since.

She advised that with the establishment of the new Clinical Care and Professional Governance Committee any complaints that were more detailed in nature would now be submitted to this Committee for necessary scrutiny.

She further advised that it was proposed that an Annual Corporate Performance report will be submitted to the Audit and Performance Committee in September which will provide an outline of any Freedom of Information requests received; any IJB level complaints received; and a report on any participation requests received.

The group noted the position.

**7. DATE OF NEXT MEETING**

Monday 16 September 2019 at 9.30am.

**8. PRIVATE DISCUSSION**

A private discussion took place as necessary between the members of the Committee.

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