



PERTH AND KINROSS INTEGRATION JOINT BOARD

30 June 2021

AUDIT & PERFORMANCE COMMITTEE ANNUAL REPORT 2020/21

Report by Chair of Audit & Performance Committee
(Report No. G/21/92)

PURPOSE OF REPORT

This report is the Annual Report of the Perth & Kinross Integration Joint Board's (IJB) Audit and Performance Committee and summarises the work of the Committee during the year 2020/21.

1. RECOMMENDATION(S)

It is recommended that the Integration Joint Board:

- notes the contents of this Annual Report for the year 2020/21
- acknowledges the input provided to the Audit and Performance Committee from its members and those supporting the Committee
- considers the performance and effectiveness of the Audit and Performance Committee for the year 2020/21.

2. BACKGROUND

The Audit and Performance Committee was established in 2016 (report G/16/160 refers) to ensure that the Integration Joint Board (IJB) met its responsibilities for governance under the Integrated Resources Advisory Group (IRAG) guidance.

Following this approval, the Audit and Performance Committee first met on 28 October 2016 and has met regularly since then. An update on the business of the Committee is routinely provided by the Chair to the main IJB meetings along with minutes.

The purpose of the Audit and Performance Committee is to 'provide independent assurance on the adequacy of the risk management framework, the internal control environment, and the integrity of the financial reporting and annual governance processes. The Committee is also required to scrutinise performance and best value arrangements'.

The Terms of Reference include a requirement for the Audit and Performance Committee to 'provide the IJB with an annual report summarising its conclusions from the work it has done during the year and providing an opinion on the adequacy and effectiveness of the systems of internal control. The Committee shall review its own effectiveness yearly through self-assessment against its duties and report the results to the IJB'.

This is the third such report, although it should be noted that because of reprioritisation of work due to the Covid pandemic a draft report was produced for 2019/20 and considered by Audit and Performance Committee Members however due to the significant time delay it was agreed that this would not be formally considered by the IJB. All feedback received however has been considered in the completion of this report and the supporting self-assessment.

3. REPORTS CONSIDERED BY THE IJB AUDIT AND PERFORMANCE COMMITTEE – JUNE 2020 TO FEBRUARY 2021

The Terms of Reference for the IJB's Audit and Performance Committee states that the Committee will meet at least 3 times each financial year. In 2020/21 the Committee met 4 times. Attendance at these meetings is detailed at Appendix 1.

From June 2020 to February 2021 the Committee considered the following:

Item	June 22 nd 2020	Sept 14 th 2020	Nov 30 th 2020	Feb 15 th 2021
Governance & Assurance				
Strategic Risk Management	✓	✓	✓	✓
Partnership Improvement Plan	✓	✓	✓	✓
Audit Recommendations Update	✓	✓	✓	✓
Internal Audit Annual Report and Assurance Statement	✓			
Appointment of Internal Auditors 2019/20	✓			
Extension To External Audit Appointment			✓	
Internal Audit Reports 2019/20:				
• Financial Risks PKIJB 19-01				
• Performance Management PKIJB 19-02		✓		
• Partnership Improvement Plan PKIJB 19-03		✓		
Internal Audit Reports 2020/21:				
• Improvement Actions PKIJB 20-01				
• Corporate Support PKIJB 20-02				
• Commissioned Service Providers 20-03				
Internal Audit Plan 2020/21		✓		
Internal Audit Plan Progress Report		✓	✓	✓ ¹
Internal Audit Report – Common Definitions			✓	
Audit & Performance Committee Work Plan		✓	✓	✓
External Audit Annual Report 2019/20		✓		

¹ Verbal Report

Item	June 22 nd 2020	Sept 14 th 2020	Nov 30 th 2020	Feb 15 th 2021
External Audit Strategy				✓
External Audit – Proposed Audit Fee 2020/21				✓
Care & Professional Governance Forum Annual Report 2019/20			✓	

Performance				
Locality Update:				
• South Locality			✓	
• Perth City Locality				
• North Locality				
Financial Position	✓		✓	
HSCP Performance Quarterly Report		✓ ²	✓	✓
Annual Performance Report		✓		

Annual Accounts				
Review Annual Governance Statement	✓			
Unaudited Annual Accounts 2019/20	✓			
Audited Annual Accounts 2019/20		✓		
Letter of Representation to External Audit		✓		

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

From the above it can be seen that activity includes:

- Regular items including Audit Recommendations Update
- Reports in respect of year end assurances and Annual Accounts
- Regular reporting on Internal Audit activity; the annual plan, reports and follow up actions
- Regular reporting on areas such as risk management and performance, including specific financial performance reports
- Ad hoc reporting from service areas such as locality updates

The Terms of Reference for the Audit and Performance Committee were last revised in February 2020 via an agenda note to state that the draft unaudited annual accounts and the final audited annual accounts be submitted to the Committee for scrutiny and approval prior to submission to the IJB for information. These Terms of Reference are included at Appendix 3.

Self-assessment findings

The members of the Committee have, as part of preparing this Annual Report, performed a self-assessment on the performance of the Committee. This is attached at Appendix 2.

Areas where progress has been made over the year include:

- Regular scrutiny and review of performance information

² 6 month performance report went to Nov 2020 meeting

- Improved consistency of membership
- The development of an Induction Pack which has been circulated to all members
- The opportunity for all members to undertake external training

Whilst progress has been made, there are a number of areas which will be the focus for improvement over 2021/22. These include:

- Performance review of Internal Audit Services
- Further development of both risk and performance reporting
- Consideration of Clinical Care Governance assurance in collaboration with NHS Tayside colleagues

Annual Governance Statement findings

The process for reviewing the integrity and effectiveness of our governance arrangements to inform the AGS was led by the Chief Financial Officer. Evidence was gathered by way of self-assessment which was then scrutinised by the Chief Financial Officer and the Executive Management Team.

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.

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.

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

4. AUDIT & PERFORMANCE COMMITTEE MEMBERSHIP

The commitment of the members of the Committee who are also members of the IJB is recognised, as well as the additional workload and challenges with schedules is acknowledged.

During the financial year 2020/21 the Committee was Chaired by Callum Purves.

The Committee's membership for the year was Councillor Callum Purves (Chair), Councillor John Duff, Bernie Campbell, Ronnie Erskine and Pat Kilpatrick.

Any member of the IJB can attend the Audit and Performance Committee. Membership and attendance at meetings is attached at Appendix 1.

5. SKILLS AND KNOWLEDGE

It is noteworthy and recognised that there are a range of skills, knowledge and experience that Audit and Performance Committee members bring to the Committee to fulfil its functions. This enhances the quality of scrutiny and discussion of reports at the meetings. No one committee member would be

expected to be expert in all areas. The attendance of wider IJB members at some of the meetings now provides further scrutiny. Further, as noted in Section 3 above, training has been offered to all members.

6. SUMMARY

This report is an annual report to the IJB on the activity of the Audit and Performance Committee during the year. As can be seen from the above, the work of the committee is fully in line with the remit and the annual cycle of governance reviews and reporting (e.g. consideration of Annual Governance reviews and Annual Accounts).

Author(s)

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

APPENDICES

1. Perth & Kinross IJB Audit & Performance Committee Terms of Reference
2. Perth & Kinross IJB Audit & Performance Committee Record of Attendance
3. Self-assessment