



AUDIT & PERFORMANCE COMMITTEE

20 September 2018

ASSURANCES RECEIVED FROM PARTNERS

Report by Chief Financial Officer (Report No. G/18/122)

PURPOSE OF THE REPORT

In compiling the Integration Joint Board's Annual Governance statement, reference was made to receipt of assurance from NHS Tayside and Perth and Kinross Council regarding their governance arrangements noting that Perth and Kinross IJB is reliant on both Partners to deliver the IJB's overall aims and objectives. This report provides an update on those assurances.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board Audit & Performance Committee:-

- (i) Note that the IJB has issued confirmation of the adequacy and effectiveness of the governance arrangements in place within Perth and Kinross IJB for 2017/18 to NHS Tayside and Perth and Kinross Council;
- (ii) Note the position re confirmation of receipt of the assurance from Perth and Kinross Council;
- (iii) Note the status of governance arrangements within NHS Tayside;
- (iv) Note that the status of assurances from NHS Tayside and Perth and Kinross Council is consistent with the contents of the IJB's Governance Statement in the audited Annual Accounts.

2. BACKGROUND

- 2.1 On an annual basis the IJB has to include a Governance Statement within its Annual Accounts. Perth and Kinross IJB Audit and Performance Committee considered Perth and Kinross IJB's draft 2017/18 Governance Statement at its June 2018 meeting (paper G/18/84).

Paper G/18/84 noted that Perth and Kinross IJB had to provide assurances to both NHS Tayside and Perth and Kinross Council. This was duly completed in September 2018.

Paper G/18/84 also noted the reliance Perth and Kinross IJB places on the governance arrangements within NHS Tayside and Perth and Kinross Council and that assurance would be sought from both partners regarding their internal controls and their adequacy and effectiveness prior to the September 2018 Audit and Performance Committee.

- 2.2 Since the last Audit & Performance Committee, Perth and Kinross Council's Scrutiny and Audit Committee has met and after reviewing the Council's Annual Internal Audit Report and draft Governance Statement, have now issued a letter to Perth and Kinross IJB confirming the status of Perth and Kinross Council governance arrangements for 2017/18 and the reliance Perth and Kinross IJB can place on these. This letter is attached at Appendix 1.
- 2.3 As was noted in the IJB's Governance Statement for 2017/18, there have been ongoing governance issues within NHS Tayside during 2017/18. These were summarised in a report to NHS Tayside's Audit Committee in late June 2018. See report 42/2018 to NHS Tayside's Audit Committee in June 2018 (agenda item 12.3):

https://www.nhstaysidecdn.scot.nhs.uk/NHSTaysideWeb/idcplg?IdcService=GET_SECURE_FILE&dDocName=PROD_302165&Rendition=web&RevisionSlectionMethod=LatestReleased&noSaveAs=1

The above report notes that the NHS Tayside Chief Executive states within the Governance Statement that he is "...not able to conclude that, taking into account the governance framework and the assurances and evidence received from the Board's committees, that corporate governance was operating effectively throughout the financial year ended 31 March 2018". The NHS Tayside Governance Statement also reflects that the Chief Executive has "instigated action to address in full the recommendations that have been highlighted by the Assurance and Advisory Group and Grant Thornton reports issued during the year. The Chair has also commissioned an independent risk assessment of Board Governance and an independent review of the effectiveness of internal audit. These reviews will highlight further opportunities to improve the control environment within NHS Tayside."

While the above does not provide the assurance that Perth and Kinross IJB would routinely expect from one of its Partners, the governance challenges within NHS Tayside have been well documented elsewhere (including the papers referred to in this report) and a range of actions are now underway to address these challenges. This issue was referred to in Perth and Kinross IJB's Governance Statement for 2017/18 and if there are any specific issues that arise that more directly affect Perth and Kinross IJB then these would be highlighted to the IJB in due course.

More detail on the above is set out in NHS Tayside full Governance Statement from NHS Tayside's June 2018 Audit Committee – agenda item 9.3 (see the same e-mail link as per above) and in NHS Tayside's Annual Internal Audit Report (2017/18) also from NHS Tayside's June 2018 Audit Committee – agenda item 8.1 (again, see same e-mail link as per above).

3. CONCLUSIONS

The IJB's Audit and Performance Committee should note the receipt of assurance confirmation from Perth and Kinross Council. The Committee should note the status of governance arrangements within NHS Tayside. The ongoing concerns have been previously documented in the IJB's 2017/18 Governance Statement.

APPENDICES

Appendix 1 – Letter of Assurance 2017/18 Perth & Kinross Council

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