

# Public Document Pack



Aberdeen City Health & Social Care Partnership  
*A caring partnership*

To: Professor Mike Greaves, Chairperson; and Councillors Cooke and Duncan;  
and Rhona Atkinson.

Town House,  
ABERDEEN, 13 June 2017

## **AUDIT AND PERFORMANCE SYSTEMS COMMITTEE**

The Members of the **AUDIT AND PERFORMANCE SYSTEMS COMMITTEE** are requested to meet in Committee Room 2 - Town House on **TUESDAY, 20 JUNE 2017 at 10.00 am.**

FRASER BELL  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

### TERMS OF REFERENCE

#### BUSINESS

#### DECLARATION OF INTERESTS

- 1 Members are requested to intimate any declarations of interest

#### DETERMINATION OF EXEMPT BUSINESS

- 2 Members are requested to determine that any exempt business be considered with the press and public excluded
- 3 Minute of the Previous Meeting - 11 April 2017 (Pages 7 - 12)
- 4 IJB Complaints Handling Procedure (Pages 13 - 46)
- 5 Revised Board Assurance and Escalation Framework (Pages 47 - 86)

- 6 Internal Audit Report (Pages 87 - 96)
- 7 Finance Update (Pages 97 - 110)
- 8 Unaudited Final Accounts 2016/17 (Pages 111 - 150)

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**ABERDEEN CITY INTEGRATION JOINT BOARD  
AUDIT & PERFORMANCE SYSTEMS COMMITTEE  
TERMS OF REFERENCE**

<b>1</b>	<b>Introduction</b>
1.1	The Audit & Performance Systems Committee is identified as a Committee of the Integration Joint Board (IJB). The approved Terms of Reference and information on the composition and frequency of the Committee will be considered as an integral part of the Standing Orders.
1.2	The Committee will be known as the Audit & Performance Systems Committee (APS) of the IJB and will be a Standing Committee of the Board,
<b>2</b>	<b>Constitution</b>
2.1	The IJB shall appoint the Committee. The Committee will consist of not less than 4 members of the IJB, excluding Professional Advisors. The Committee will include at least two voting members, one from Health and one from the Council.
<b>3</b>	<b>Chair</b>
3.1	The Committee will be chaired by a non-office bearing voting member of the IJB and will rotate between NHS and ACC.
<b>4</b>	<b>Quorum</b>
4.1	Three Members of the Committee will constitute a quorum.
<b>5</b>	<b>Attendance at meetings</b>
5.1	The Board Chair, Chief Officer, Chief Finance Officer Chief Internal Auditor and other Professional Advisors and senior officers as required as a matter of course, external audit or other persons shall attend meetings at the invitation of the Committee.
5.2	The Chief Internal Auditor should normally attend meetings and the external auditor will attend at least one meeting per annum.
5.3	The Committee may co-opt additional advisors as required.
<b>6</b>	<b>Meeting Frequency</b>
6.1	The Committee will meet at least 4 times each financial year. There should be at least one meeting a year, or part therefore, where the Committee meets the external and Chief Internal Auditor without other seniors officers present. A further 2 developmental sessions will be planned over the course of the year to support the development of members.
<b>7</b>	<b>Authority</b>
7.1	The Committee is authorised to instruct further investigation on any matters which fall

	within its Terms of Reference.
<b>8</b>	<b>Duties</b>
8.1	The Committee will review the overall Internal Control arrangements of the Board and make recommendations to the Board regarding signing of the Governance Statement, having received assurance from all relevant Committees.
	Specifically it will be responsible for the following duties:
1.	The preparation and implementation of the strategy for Performance Review and monitoring the performance of the Partnership towards achieving its policy objectives and priorities in relation to all functions of the IJB;
2.	<p>Ensuring that the Chief Officer establishes and implements satisfactory arrangements for reviewing and appraising service performance against the national health and wellbeing outcomes, the associated core suite of indicators and other local objectives and outcomes and for reporting this appropriately to the Committee and Board..</p> <p>The performance systems scrutiny role of the Committee is underpinned by an Assurance Framework which itself is based on the Board's understanding of the nature of risk to its desired priorities and outcomes and its appetite for risk-taking.</p> <p>This role will be reviewed and revised within the context of the Board and Committee reviewing these Terms of Reference and the Assurance Framework to ensure effective oversight and governance of the partnership's activities..</p>
3.	Acting as a focus for value for money and service quality initiatives;
4.	To review and approve the annual audit plan on behalf of the IJB, receiving reports, overseeing and reviewing actions taken on audit recommendations and reporting to the Board;
5.	Monitoring the annual work programme of Internal Audit, including ensuring IJB oversight of the clinical and care audit function and programme to ensure this is carried out strategically;
6.	To consider matters arising from Internal and External Audit reports;
7.	Review on a regular basis actions planned by management to remedy weaknesses or other criticisms made by Internal or External Audit
8.	To support the IJB in ensuring that the strategic integrated assurance and performance framework is working effectively, and that escalation of notice and action is consistent with the risk tolerance set by the Board.
9.	To support the IJB in delivering and expecting cooperation in seeking assurance that hosted services run by partners are working effectively in order

	to allow Aberdeen City IJB to sign off on its accountabilities for its resident population.
10.	Review risk management arrangements, receive annual Risk Management updates and reports and annually review with the full Board the IJB's risk appetite document .
11.	Ensure existence of and compliance with an appropriate Risk Management Strategy.
12.	Reporting to the IJB on the resources required to carry out Performance Reviews and related processes;
13.	To consider and approve annual financial accounts and related matters;
14.	Ensuring that the Senior Management Team, including Heads of Service, Professional Leads and Principal Managers maintain effective controls within their services which comply with financial procedures and regulations;
15.	Reviewing the implementation of the Strategic Plan;
16.	To be responsible for setting its own work programme which will include the right to undertake reviews following input from the IJB and any other IJB Committees;
17.	The Committee may at its discretion set up short term working groups for review work. Membership of the working group will be open to anyone whom the Committee considers will assist in the task assigned. The working groups will not be decision making bodies or formal committees but will make recommendations to the Audit Committee;
18.	Promoting the highest standards of conduct by Board Members; and
19.	Monitoring and keeping under review the Codes of Conduct maintained by the IJB.
20.	Will have oversight of Information Governance arrangements and staffing arrangements as part of the Performance and Audit process.
21.	Ensuring effective IJB oversight of the scrutiny of Serious Incidents in health and social care, including monitoring and reporting systems, timely action, training and improvement activities.
22.	To be aware of, and act on, Audit Scotland, national and UK audit findings and inspections/regulatory advice, and to confirm that all compliance has been responded to in timely fashion.
<b>9</b>	<b>Review</b>
9.1	The Terms of Reference will be reviewed every six months to ensure their ongoing appropriateness in dealing with the business of the IJB.
9.2	As a matter of good practice, the Committee should expose itself to periodic review utilising best practice guidelines and external facilitation as required.

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Aberdeen City Health & Social Care Partnership  
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## **AUDIT AND PERFORMANCE SYSTEMS COMMITTEE**

### **Minute of Meeting**

**11 April 2017**  
**Town House, Aberdeen**

Present: Professor Mike Greaves (NHS Grampian (NHSG)) Chairperson; and Councillor Ironside CBE and Amy Anderson (NHSG, as substitute for Rhona Atkinson).

Also in attendance: Judith Proctor (Chief Officer, Aberdeen City Health and Social Care Partnership (ACHSCP)), Alex Stephen (Chief Finance Officer, ACHSCP), Kevin Toshney (Acting Head of Strategy and Transformation, ACHSCP), Sarah Gibbon (Executive Assistant, ACHSCP), David Hughes (Internal Audit), Iain Robertson (Clerk, Aberdeen City Council (ACC)) and Alan Thomson (Legal Services, ACC).

Apologies: Rhona Atkinson.

### **OPENING REMARKS**

1. The Chair opened the meeting and welcomed Dame Anne Begg who was present to observe the meeting as she had recently been appointed to the Moray IJB. He also introduced Amy Anderson who was substituting for Rhona Atkinson at today's meeting. The Chair referred to the Board Assurance Framework and highlighted Section 1.3 which noted that the Framework should be reviewed at the end of the initial period following the go live date in April 2016 and suggested that the Executive Team conduct this review and report back to the next meeting of the Committee.

Councillor Ironside asked about the composition of IJB committees after the Local Government elections in May 2017, to which Judith Proctor (Chief Officer, ACHSCP) advised that committee membership would be reviewed following the elections with the aim of appointing the most appropriate Board members to the APS and Clinical and Care Governance committees.

### **The Committee resolved:-**

- (i) to instruct the Executive Team to undertake a review of the Board Assurance Framework and report back to the Committee's next meeting on 20 June 2017; and

- (ii) otherwise note the information provided.

## **DECLARATIONS OF INTEREST**

2. Members were requested to intimate any declarations of interest.

### **The Committee resolved:-**

To note that no declarations of interest were intimated at this time for items on today's agenda.

## **DETERMINATION OF EXEMPT BUSINESS**

3. The Chair proposed that all Committee business on today's agenda be considered with the public and press in attendance.

### **The Board resolved:-**

To agree that all Committee business on today's agenda be open to the public and press.

## **MINUTE OF PREVIOUS MEETING – 28 February 2017**

4. The Committee had before it the minute of the previous meeting of 28 February 2017.

### **The Committee resolved:-**

To approve the minute as a correct record.

## **PROPOSED REVISION TO MEETING SCHEDULE**

5. The Committee had before it a report by the Clerk which sought approval to revise the 2017-18 Committee meeting schedule to take account of the IJB's decision to arrange an annual IJB budget meeting on 6 February 2018 which conflicted with a Committee meeting date.

### **The report recommended:-**

That the Committee agree the revised schedule attached as Appendix A.

The Clerk proposed that the APS Committee meeting date originally scheduled for 6 February 2018 be moved back a week to 13 February 2018 to avoid a scheduling conflict with the IJB Budget meeting.

### **The Committee resolved:-**

To agree the revised schedule attached as Appendix A.



## **REVIEW OF FINANCIAL GOVERNANCE**

6. The Committee had before it a report by Alex Stephen (Chief Finance Officer, ACHSCP) which outlined the results of the review undertaken by the Executive Team against financial governance requirements contained in the Chartered Institute of Public Finance and Accountancy (CIPFA)'s statement on the Role of the Chief Financial Officer in Local Government (2016).

### **The report recommended:-**

That the Committee note the content of the report and comment on the accompanying results of the Executive Team review.

Alex Stephen explained that the Executive Team had conducted a review of the Board's financial governance arrangements against the CIPFA principles outlined in the Role of the Chief Finance Officer (CFO) in Local Government (2016). He advised that evidence of adherence to these principles had been requested during the 2015/16 audit of the final accounts, and noted that areas in need of further development had also been identified. Thereafter Mr Stephen talked the Committee through each of the CIPFA principles:

With reference to principle 1, Mr Stephen highlighted the leadership role of the CFO through membership of the Executive Team and the IJB as a non-voting member. He explained that it was the intention of the Executive Team to consolidate all relevant documentation into a governance action plan which would be presented to the IJB for approval, with a recommendation that responsibility for monitoring be delegated to this Committee. Mr Stephen set out his responsibilities, in addition to his role as CFO and noted that in these areas he largely provided an oversight function as operational control was exercised by Partnership colleagues. He confirmed that the financial skillset of the Executive Team was satisfactory but anticipated that financial training would be provided to colleagues involved in the locality planning once locality management structures were more developed. Mr Stephen highlighted the representativeness of the IJB, as it included partners from across the public and third/independent sectors; as well as service users and carer representatives. He also summarised the monitoring arrangements in place between the Partnership and Bon Accord Care;

With reference to principle 2, Mr Stephen provided an overview of the business and financial planning process and pointed to the successful approach adopted by the Partnership towards the IJB budget which included the scheduling of workshop sessions and financial briefings prior to the budget meeting which enhanced the Board's decision making capacity and led to the unanimous agreement of the IJB budget in March 2017. He explained that in line with the IJB Budget Protocol, a similar approach would be adopted next year as a special budget meeting had been scheduled and there would be greater focus on strategic items such as the transformation agenda. Thereafter Mr Stephen provided a summary of how the Board issued Directions to its partners, particularly in relation to procurement; and he explained that ACC and NHSG had responsibility for treasury management as the Partnership did not have a bank account;

With reference to principle 3, Mr Stephen highlighted that Internal Audit would prepare an annual report and statement on the internal control system adopted by the IJB and its partners on the management and safeguarding of public money. He

advised that further assurance had been provided through the publication of IJB/APS Committee papers on the Partnership's website; and noted that IJB and Committee meetings were open to the public and press. The Chief Officer added that the Annual Governance Statement would also be publicly available and the Executive Team would look at how the Statement could be presented in a user friendly format. She further noted that the review of the Board Assurance Framework and the ongoing work of the Good Governance Institute would provide additional assurance in this area;

With reference to principle 4, Mr Stephen advised that the CFO had no line management responsibilities for ACC or NHSG finance staff and it was incumbent on both partners to provide resource and capacity to support the Partnership's functions; and

With reference to principle 5, Mr Stephen summarised his professional qualifications and experience which enabled him to satisfy the requirements of the CFO job profile. He also pointed to the Partnership's robust recruitment process which led to his appointment.

Thereafter there were questions on the best way to communicate the Board's Annual Governance Statement to the public; and the level of support the CFO had received from colleagues within and out with the Partnership.

**The Committee resolved:-**

- (i) to request that the Executive Team look at how the Annual Governance Statement could be presented in a user friendly format;
- (ii) to instruct the Clerk to circulate the review of the IJB's financial governance arrangements to all IJB members for information; and
- (iii) otherwise note the report.

**LOCAL CODE OF GOVERNANCE**

7. The Committee had before it a report by Alex Stephen that outlined the sources of assurances used to measure the effectiveness of the governance principles contained in the CIPFA/Society of Local Authority Chief Executive (SOLACE) *Delivering Good Governance in Local Government: Framework* document. The report also proposed the establishment of a local code of corporate governance for the IJB.

**The report recommended:-**

That the Committee approve the use of sources of assurance, listed in Appendix 1, the local code of governance, and the governance principles, against which the IJB would measure itself in Annual Governance Statements from 2016-17 onwards.

Alex Stephen explained that the sources of assurance had been provided to measure effectiveness against the CIPFA principles of good governance and highlighted that ACC had adopted a similar approach which would support strategic alignment. He noted that a number of corporate documents were still being developed and these would provide further assurance on the Board's governance arrangements.

Thereafter members enquired if the NHSG elements of the local code of corporate governance and sources of assurance had been overseen by an NHSG colleague. Mr Stephen confirmed that the Assistant Director of Finance had provided this oversight.

**The Committee resolved:-**

To approve the use of sources of assurance, listed in Appendix 1, the local code of governance, and the governance principles, against which the IJB would measure itself in Annual Governance Statements from 2016-17 onwards.

**ANNUAL GOVERNANCE STATEMENT**

8. The Committee had before it a report by Alex Stephen which provided the Committee with an opportunity to comment on and approve in principle the annual governance statement. The report also requested that the Committee provide assurances to Aberdeen City Council and NHS Grampian on the governance framework.

**The report recommended:-**

That the Committee –

(a) Comment on the draft annual governance statement, as set out in Appendix 1,

Additionally, on the proviso that no significant weaknesses impacting on the IJB's governance framework are identified in the assurances received by Aberdeen City Council, NHS Grampian and the IJB's internal auditors:

(b) Delegate authority to the Chief Finance Officer to complete the governance statement and provide responses to Aberdeen City Council and NHS Grampian that reasonable assurance can be placed upon the adequacy and effectiveness of the Aberdeen City IJB's systems of governance.

Alex Stephen advised that the Governance Statement would be produced annually and performance would be measured against CIPFA's principles of good governance. He explained that there was a degree of complexity in receiving and providing assurance on IJB governance as any significant IJB governance issues may need to be reflected in ACC and NHSG governance statements; similarly the IJBs reliance on some of ACC and NHSG policies and procedures may require any significant weaknesses identified in their controls to be reflected in the IJB's governance statement. Thereafter the Committee discussed whether more explicit reference could be made to the Partnership's transformation agenda and if these could be aligned with the CIPFA principles. The Chief Officer highlighted that transformation was cited in Principle 3 and Principle 5 but noted that the Executive Team would be happy to look at this again to provide additional assurance.

The Chair noted that the Governance Statement was well constructed and no significant weaknesses had been identified by the Committee. He advised that at this stage the Committee was duly assured on the robustness of the IJB's governance arrangements and thanked Mr Stephen for his work in producing all the financial and governance documents presented at today's meeting.

**The Committee resolved:-**

- (i) to delegate authority to the Chief Finance Officer to complete the governance statement and provide responses to Aberdeen City Council and NHS Grampian that reasonable assurance can be placed upon the adequacy and effectiveness of the Aberdeen City IJB's systems of governance;
- (ii) to thank Alex Stephen for his work in preparing the financial and governance documentation; and
- (iii) otherwise note the report.

## **INTERNAL AUDIT PLAN 2017-18**

9. The Committee had before it a report by David Hughes (Internal Audit) which sought approval of the Internal Audit Plan for the Aberdeen City IJB for 2017-18.

### **The report recommended:-**

That Committee approve the Internal Audit Plan for 2017-18.

David Hughes spoke to the report and advised that the Internal Audit Plan was proportionate and in line with the light touch approach adopted by internal auditors across Scotland with regards to IJBs. Mr Hughes noted he would receive assurance on the robustness of IJB governance through receipt of IJB papers and attendance at Board and Committee meetings; as well as work undertaken by ACC and NHSG internal auditors. He added that this assurance would support the development of Internal Audit's financial control statement.

Thereafter the Committee discussed the development of governance arrangements for hosted services and the Chief Officer explained that a Pan-Grampian agreement on a framework for hosted services was being discussed. She confirmed that a workshop session on hosted services would be added to the Developmental Timetable.

### **The Committee resolved:-**

- (i) to approve the Internal Audit Plan for 2017-18; and
- (ii) to request that a workshop session on Hosted Services be added to the Developmental Timetable.

**PROFESSOR MIKE GREAVES, Chairperson.**



## Audit and Performance Systems Committee

<b>Report Title</b>	Joint Complaints Handling Procedure
<b>Lead Officer</b>	Alex Stephen, Chief Finance Officer
<b>Report Author (Job Title, Organisation)</b>	Lorraine McKenna, Business Manager
<b>Report Number</b>	HSCP/17/054
<b>Date of Report</b>	23/05/2017
<b>Date of Meeting</b>	20/06/2017

### 1: Purpose of the Report

This report outlines a joint complaints handling procedure (CHP) for the Aberdeen City Integration Joint Board (IJB). This procedure introduces a standardised procedure to handling complaints which complies with Scottish Public Services Ombudsman's guidance on a model complaints handling procedure.

- **Appendix 1:** provides a full outline of the proposed complaints handling procedure.
- **Appendix 2:** a compliance statement and self-assessment which must be provided to the (SPSO) Complaints Standards Authority as soon as the joint CHP has been adopted.

### 2: Summary of Key Information

Key principles supporting the IJB's CHP are:

- Reflects commitment to valuing complaints.
- Standardised approach
- Quicker, simpler and more streamlined
- Local, early resolution
- To conduct thorough, impartial and fair investigations of complaints, so that, where appropriate, we can make evidence-based decisions.
- Learning and continuous improvement



## Audit and Performance Systems Committee

### 3: Equalities, Financial, Workforce and Other Implications

**Equalities** – A standardised procedure will help to ensure that all complaints are dealt with in a consistent way.

**Financial** – the early resolution of complaints can help to save money, time and resources.

**Workforce** – Dealing with complaints locally and quickly reduces pressure on staff as complaints which take a while to resolve can add greatly to staff workload.

**Other** – the complaints handling procedure as outlined in the report will help foster better customer relations and facilitate improvement.

### 4: Management of Risk

#### Identified risk(s) and link to strategic risk register:

- There is a risk of reputational damage to the IJB and its partner organisations resulting from complexity of function, delegation and delivery of services across health and social care.

**How might the content of this report impact or mitigate the known risks:** A standardised joint complaints handling procedure for the IJB, as outlined in the appendix, will provide mitigation for the risks outlined above by providing opportunity for learning and improvement from complaints before they escalate into more serious concerns.



## Audit and Performance Systems Committee

5:	Recommendations
	<p>It is recommended that the Audit &amp; Performance Systems Committee</p> <ol style="list-style-type: none"><li data-bbox="264 616 1417 705">1) Approve the Aberdeen City Integration Board's Complaints Handling Procedure as outlined in appendix A; and,</li><li data-bbox="264 739 1417 828">2) Instruct officers to submit the compliance statement and self-assessment in appendix B, to SPSO before the 3<sup>rd</sup> of July.</li></ol>

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## **Aberdeen City Integration Joint Board's Complaints Handling Procedure**

### **Foreword**

Our complaints handling procedure reflects our commitment to valuing complaints. It seeks to resolve dissatisfaction as close as possible to the point of service delivery and to conduct thorough, impartial and fair investigations of complaints so that, where appropriate, we can make evidence-based decisions on the facts of the case.

The procedure introduces a standardised approach to handling complaints across the Integration Joint Board, which complies with the Scottish Public Services Organisation's (SPSO) guidance on a model complaints handling procedure. This procedure aims to help us 'get it right first time'. We want quicker, simpler and more streamlined complaints handling with local, early resolution.

Complaints give us valuable information we can use in terms of how we fulfil our responsibilities. Our complaints handling procedure will enable us to address dissatisfaction and may also prevent the same problems that led to the complaint from happening again. Handled well, complaints can give customers a form of redress when things go wrong, and can also help us continuously improve.

Resolving complaints early saves money and creates better customer relations. Sorting complaints out as close to the point of service delivery as possible, means we can deal with them locally and quickly, so they are less likely to escalate to the next stage of the procedure.

It will help us keep the public at the heart of the process, while enabling us to better understand how to improve how we do our work and the services provided.

Signed: \_\_\_\_\_  
Judith Proctor  
Chief Officer

## **How to use this template Complaints Handling Procedure (CHP)**

This document explains how the Integrated Joint Board (IJB) will handle complaints. The NHS Grampian Complaints Handling Procedure and Aberdeen City Council's Social Work Model Complaints handling procedure detail how complaints are handled in relation to community health services and adult social care.

The document contains reference and links to more details on parts of the procedure, such as how to record complaints, and the criteria for signing off and agreeing time extensions. These explain how to process, manage and reach decisions on different types of complaints. The use of "we" refers to the IJB, not the SPSO.

When using this document, please also refer to the 'SPSO Statement of Complaints Handling Principles' and best practice guidance on complaints handling from the Complaints Standards Authority at the SPSO.

<http://www.valuingcomplaints.org.uk>

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## What is a complaint?

Aberdeen City Integrated Joint Board's (IJB) definition of a complaint is:

'An expression of dissatisfaction by one or more members of the public about Aberdeen City IJB's action or lack of action, or about the standard of service provided in fulfilling its responsibilities as set out in the Integration Scheme'<sup>1</sup>.

Issues that are not covered by this definition are likely to be covered by our other CHPs, relating to either our health or social work services.

A complaint may relate to dissatisfaction with:

- Aberdeen City IJB's policies
- Aberdeen City IJB's decisions
- the administrative or decision-making processes followed by Aberdeen City IJB in coming to a decision

This list does not cover everything.

A complaint is **not**:

- a first time request made to Aberdeen City IJB
- a request for compensation only
- issues that are in court or have already been heard by a court or a tribunal
- disagreement with a decision where a statutory right of appeal exists
- an attempt to reopen a previously concluded complaint or to have a complaint reconsidered where we have already given our final decision.

We will not treat these issues as complaints, but will instead direct the customer raising them to use the appropriate procedures.

### Handling anonymous complaints

We value all complaints. This means we treat all complaints including anonymous complaints seriously and will take action to consider them further, wherever this is appropriate. Generally, we will consider anonymous complaints if there is enough information in the complaint to enable us to make further enquiries. If, however, an anonymous complaint does not provide enough information to enable us to take further action, we may decide not to pursue it further. Any decision not to pursue an anonymous complaint must be authorised by a senior manager.

If an anonymous complaint makes serious allegations, it will be considered by a senior officer immediately.

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<sup>1</sup> The Integration Scheme outlines the necessary arrangements for the delegation of functions and appropriate resources to ensure the effective delivery of those functions

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If we pursue an anonymous complaint further, we will record the issues as an anonymous complaint on the complaints system. This will help to ensure the completeness of the complaints data we record and allow us to take corrective action where appropriate.

### **What if the customer does not want to complain?**

If a customer has expressed dissatisfaction in line with our definition of a complaint but does not want to complain, we will tell them that we do consider all expressions of dissatisfaction, and that complaints offer us the opportunity to improve services where things have gone wrong. Encourage them to submit their complaint and allow us to deal with it through the CHP. This will ensure that they are updated on the action taken and receive a response to their complaint.

If, however, the customer insists they do not wish to complain, we will record the issue as an anonymous complaint. This will ensure that their details are not recorded on the complaints database and that they receive no further contact about the matter. It will also help to ensure the completeness of the complaints data recorded and will still allow us to fully consider the matter and take corrective action where appropriate.

### **Who can make a complaint?**

Anyone who is affected by the decisions made by Aberdeen City IJB can make a complaint. This is not restricted to people who receive services through Aberdeen City IJB and their relatives or representatives. Sometimes a customer may be unable or reluctant to make a complaint on their own. We will accept complaints brought by third parties as long as the customer has given their personal consent.

### **Complaints involving the Health & Social Care Partnership (HSCP) or more than one organisation**

A complaint may relate to a decision that has been made by the IJB, as well as a service or activity provided by the HSCP. Initially, these complaints should all be handled in the same way. They must be logged as a complaint, and the content of the complaint must be considered, to identify which services are involved, which parts of the complaint we can respond to and which parts are appropriate for the HSCP to respond to. A decision must be taken about who will be contributing and investigating each element of the complaint, and that all parties are clear about this decision. The final response must be a joint response, taking into account the input of all those involved.

Where a complaint relates to a decision made jointly by the IJB and the Health Board or Local Authority, the elements relating to the IJB should be handled through this CHP. Where possible, working together with relevant colleagues, a single response addressing all of the points raised should be issued.

Should a member of staff who represents the HSCP receive a complaint in relation to the IJB, and they have the relevant and appropriate information to resolve it, they should attempt to do so. If the staff member feels unable to offer a response, the complaint should be passed to the IJB team as early as possible for them to resolve.

If a customer complains to Aberdeen City IJB about services of another agency or public service provider, but Aberdeen City IJB has no involvement in the issue, they will be advised to contact the appropriate organisation directly.

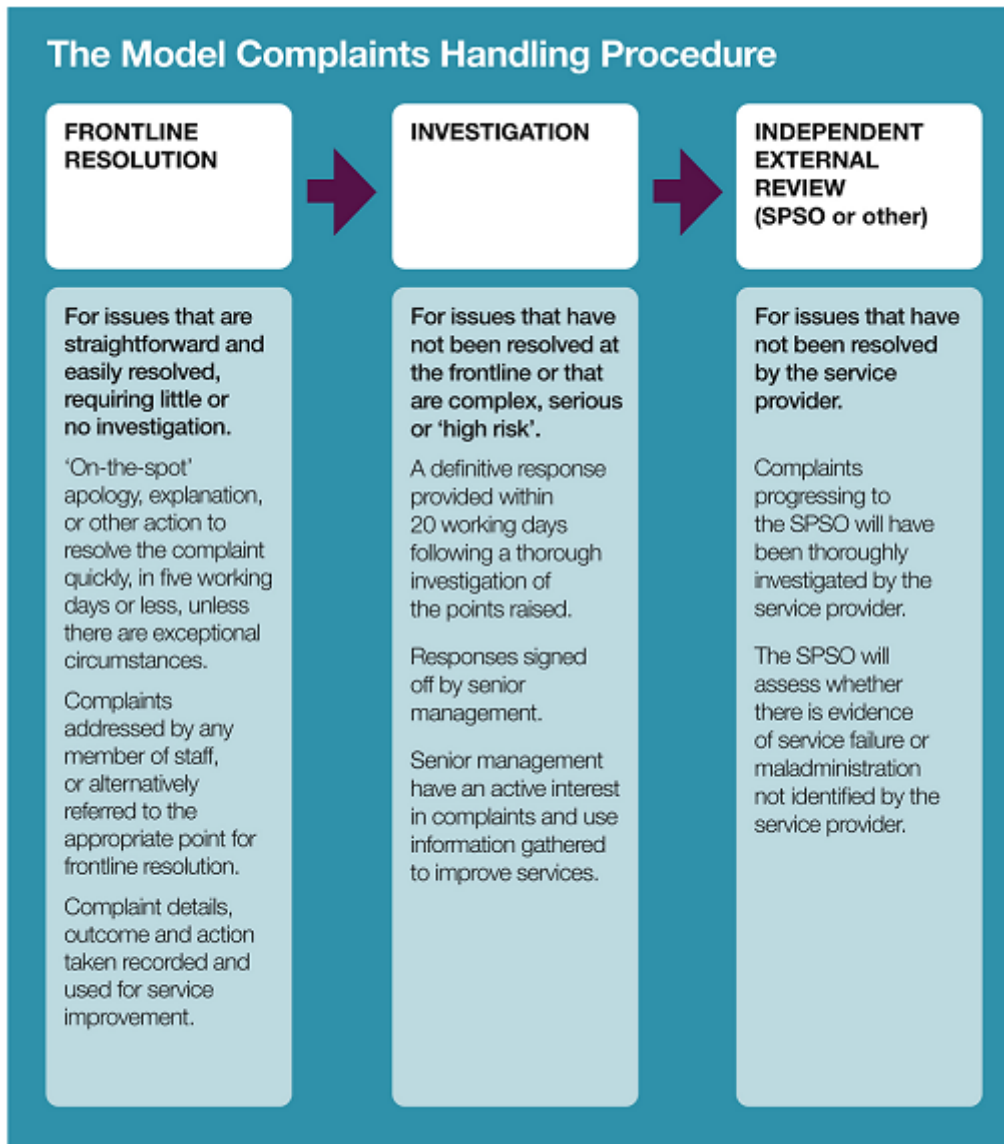
If we need to make enquiries to an outside agency in relation to a complaint we will always take account of data protection legislation and SPSO guidance on handling our customer's personal information. The Information Commissioner has detailed guidance on data sharing and has issued a data sharing code of practice.

## The complaints handling process

The CHP aims to provide a quick, simple and streamlined process for resolving complaints early and locally by capable, well-trained staff.

Our complaints process provides two opportunities to resolve complaints internally:

- **frontline resolution**, and
- **investigation**.



For clarity, the term 'frontline resolution' refers to the first stage of the complaints process. It does not reflect any job description within Aberdeen City IJB but means seeking to resolve complaints at the initial point of contact where possible.

### **Stage one: frontline resolution**

Frontline resolution aims to quickly resolve straightforward customer complaints that require little or no investigation. Any member of staff may deal with complaints at this stage; if the member of staff receiving the complaint is not able to provide a response, then it should be referred on to a more appropriate member of staff.

The main principle is to seek early resolution, resolving complaints at the earliest opportunity. This may mean a face-to-face discussion.

Whoever responds to the complaint, it may be settled by providing an on-the-spot apology where appropriate, or explaining why the issue occurred and, where possible, what will be done to stop this happening again. They may also explain that, as an organisation that values complaints, we may use the information given when we review policies and processes in the future.

A customer can make a complaint in writing, in person, by telephone or by email or by having someone complain on their behalf. Frontline resolution will always be considered, regardless of how the complaint has been received. Contact details are contained in Appendix 3.

### ***What we will do when we receive a complaint***

- 1 On receiving a complaint, we will first decide whether the issue can indeed be defined as a complaint. The customer may express dissatisfaction about more than one issue. This may mean we treat one element as a complaint, while directing them to pursue another element through an alternative route.
- 2 If we have received and identified a complaint, we will record the details on our complaints system.
- 3 Next, we will decide whether or not the complaint is suitable for frontline resolution. Some complaints will need to be fully investigated before we can give the complainant a suitable response. A senior officer will escalate these complaints immediately to the investigation stage.
- 4 Where we consider frontline resolution to be appropriate, we will consider four key questions:
  - What exactly is the complaint (or complaints)?
  - What does the complainant want to achieve by complaining?
  - Can I achieve this, or explain why not?
  - If I cannot resolve this, who can help with frontline resolution?

#### **What exactly is the complaint (or complaints)?**

It is important to be clear about exactly what the customer is complaining about. Staff may need to ask the supplementary questions to get a full picture.



**What does the complainant want to achieve by complaining?**

At the outset, staff will seek to clarify the outcome the complainant wants. Of course, they may not be clear about this, so there may be a need to probe further to find out what they expect and whether they can be satisfied.

**Can I achieve this, or explain why not?**

If staff can achieve the expected outcome by providing an on-the-spot apology or explain why they cannot achieve it, they will do so. If they consider an apology is suitable, they may wish to follow the SPSO's guidance on the subject, which can be found on the SPSO website.

The customer may expect more than we can provide. If their expectations appear to exceed what Aberdeen City IJB can reasonably provide, the officer will tell them as soon as possible in order to manage expectations about possible outcomes.

Decisions at this stage may be conveyed face to face or on the telephone or via e-mail. In those instances, you are not required to write to the customer as well, although you may choose to do so. A full and accurate record of the decision reached must be kept, including the information provided to the customer.

**If I can't resolve this, who can help with frontline resolution?**

If the complaint raises issues which you cannot respond to in full because, for example, it relates to an issue or area of service you are unfamiliar with, pass details of the complaint to more senior staff who will try to resolve it.

**Timelines**

Frontline resolution must be completed within **five working days** of Aberdeen City IJB receiving the complaint, although in practice we would often expect to resolve the complaint much sooner.

Staff may need to get more information or seek advice to resolve the complaint at this stage. However, they will respond to the complainant within five working days, either resolving the matter or explaining that Aberdeen City IJB will investigate their complaint.

**Extension to the timeline**

In exceptional circumstances, where there are clear and justifiable reasons for doing so, senior management may agree an extension of no more than five working days with the complainant. This must only happen when an extension will make it more likely that the complaint will be resolved at the frontline resolution stage.

If, however, the issues are so complex that they cannot be resolved in five days, it will be appropriate to escalate the complaint straight to the investigation stage.

If the customer does not agree to an extension but it is unavoidable and reasonable, a senior manager can still decide upon an extension. In those circumstances, they will then tell the complainant about the delay and explain the reason for the decision to grant the extension.

Such extensions will not be the norm, though, and the timeline at the frontline resolution stage will be extended only rarely. All attempts to resolve the complaint at this stage will take no longer than **ten working days** from the date Aberdeen City IJB received the complaint.

The proportion of complaints that exceed the five-day limit will be evident from reported statistics. These statistics will be presented to Aberdeen City IJB on a quarterly basis.

**Appendix 1** provides further information on timelines.

### **Closing the complaint at the frontline resolution stage**

When staff have informed the customer of the outcome, they are not obliged to write to the customer, although they may choose to do so. The response to the complaint must address all areas that we are responsible for and must explain the reasons for our decision. Staff will keep a full and accurate record of the decision reached. The complaint will then be closed and the complaints system updated accordingly. The complaints resolved at the frontline stage will be reported to the Aberdeen City IJB on a quarterly basis.

### **When to escalate to the investigation stage**

Aberdeen City IJB will escalate a complaint to the investigation stage when:

- frontline resolution has been attempted but the customer remains dissatisfied and requests an investigation. This may happen immediately when the decision at the frontline stage is communicated, or some time later
- the customer refuses to take part in frontline resolution
- the issues raised are complex and require detailed investigation
- the complaint relates to serious, high-risk or high-profile issues.

When a previously closed complaint is escalated from the frontline resolution stage, the complaint should be reopened on the complaints system.

We will take particular care to identify complaints that might be considered serious, high risk or high profile. The SPSO defines potential high-risk or high-profile complaints as those that may:

- involve a death or terminal illness
- involve serious service failure, for example major delays in providing, or repeated failures to provide, a service
- generate significant and ongoing press interest
- pose a serious risk to an organisation's operations
- present issues of a highly sensitive nature, for example concerning:
  - a particularly vulnerable person
  - child protection.

## **Stage two: investigation**

Not all complaints are suitable for frontline resolution and not all complaints will be satisfactorily resolved at that stage. Complaints handled at the investigation stage of the complaints handling procedure are typically complex or require a detailed examination before we can state our position. These complaints may already have been considered at the frontline resolution stage, or they may have been identified from the start as needing immediate investigation.

An investigation aims to establish all the facts relevant to the points made in the complaint and to give the complainant a full, objective and proportionate response that represents our final position.

### **What we will do when we receive a complaint for investigation**

It is important to be clear from the start of the investigation stage exactly what is being investigated, and to ensure that all involved – including the customer - understand the investigation's scope. It may be helpful for an investigating officer to discuss and confirm these points with the customer at the outset, to establish why they are dissatisfied and whether the outcome they are looking for sounds realistic.

In discussing the complaint with the customer, the investigating officer will consider three key questions:

1. What specifically is the complaint or complaints?
2. What does the complainant want to achieve by complaining?
3. Are the complainant's expectations realistic and achievable?

It may be that the customer expects more than we can provide. If so, our staff will make this clear to them as soon as possible.

Where possible we will also clarify what additional information we will need to investigate the complaint. The customer may need to provide more evidence to help us reach a decision.

Details of the complaint must be recorded on the system for recording complaints. Where appropriate, this will be done as a continuation of frontline resolution. The details must be updated when the investigation ends.

If the investigation stage follows attempted frontline resolution, staff will ensure that all relevant information will be passed to the officer responsible for the investigation, and record that they have done so.

### **Timelines**

The following deadlines are appropriate to cases at the investigation stage:

- complaints must be acknowledged within **three working days**
- Aberdeen City IJB will provide a full response to the complaint as soon as possible but not later than **20 working days** from the time they received the complaint for investigation.

### **Extension to the timeline**

Not all investigations will be able to meet this deadline. For example, some complaints are so complex that they require careful consideration and detailed investigation beyond the 20-day limit. However, these would be the exception and we will always try to deliver a final response to a complaint within 20 working days.

If there are clear and justifiable reasons for extending the timescale, senior management will set time limits on any extended investigation, as long as the complainant agrees. They will keep the customer updated on the reason for the delay and give them a revised timescale for completion. If the customer does not agree to an extension but it is unavoidable and reasonable, then senior management can consider and confirm the extension. The reasons for an extension might include the following:

- Essential accounts or statements, crucial to establishing the circumstances of the case, are needed from staff, customers or others but they cannot help because of long-term sickness or leave.
- Further essential information cannot be obtained within normal timescales.
- Operations are disrupted by unforeseen or unavoidable operational circumstances, for example industrial action or severe weather conditions.
- The customer has agreed to mediation as a potential route for resolution.

These are only a few examples, and senior management will judge the matter in relation to each complaint. However, an extension would be the exception and we will always try to deliver a final response to the complaint within 20 working days.

As with complaints considered at the frontline stage, the proportion of complaints that exceed the 20-day limit will be evident from reported statistics. These statistics will be presented to Aberdeen City IJB on a quarterly basis.

**Appendix 1** provides further information on timelines.

### **Mediation**

Some complex complaints, or complaints where customers and other interested parties have become entrenched in their position, may require a different approach to resolving the complaint. Where appropriate, we may consider using services such as mediation or conciliation using suitably trained and qualified mediators to try to resolve the matter and to reduce the risk of the complaint escalating further.

Mediation will help both parties to understand what has caused the complaint, and so is more likely to lead to mutually satisfactory solutions.

If Aberdeen City IJB and the customer agree to mediation, revised timescales will need to be agreed.

### **Closing the complaint at the investigation stage**

We will inform the customer of the outcome of the investigation, in writing or by their preferred method of contact. This response to the complaint will address all areas that we are responsible for and explain the reasons for the decision. We will record the decision, and details of how it was communicated to the customer, on the system for recording complaints. The complaint will then be closed and the complaints system updated accordingly. The complaints resolved at the investigation stage will be reported to the Aberdeen City IJB on a quarterly basis.

In responding to the customer, we will make clear:

- their right to ask SPSO to consider the complaint
- the time limit for doing so, and
- how to contact the SPSO.

### ***Independent external review***

Once the investigation stage has been completed, the customer has the right to approach the SPSO if they remain dissatisfied. The SPSO considers complaints from people who remain dissatisfied at the conclusion of our complaints procedure. The SPSO looks at issues such as service failures and maladministration (administrative fault), as well as the way we have handled the complaint.

We will use the wording below to inform customers of their right to ask SPSO to consider the complaint. The SPSO provides further information for organisations on the [Valuing Complaints](#) website. This includes details about how and when to signpost customers to the SPSO.

#### **Information about the SPSO**

The Scottish Public Services Ombudsman (SPSO) is the final stage for complaints about public services in Scotland. This includes complaints about the Scottish Government, NDPBs, agencies and other government sponsored organisations. If you remain dissatisfied with an organisation after its complaints process, you can ask the SPSO to look at your complaint. The SPSO cannot normally look at complaints:

- where you have not gone all the way through Aberdeen City IJB complaints handling procedure
- more than 12 months after you became aware of the matter you want to complain about, or
- that have been or are being considered in court.

The SPSO's contact details are:

SPSO  
4 Melville Street  
Edinburgh  
EH3 7NS

Freepost SPSO

Freephone: **0800 377 7330**  
Online contact [www.spsso.org.uk/contact-us](http://www.spsso.org.uk/contact-us)  
Website: [www.spsso.org.uk](http://www.spsso.org.uk)

## **Governance of the Complaints Handling Procedure**

### **Roles and responsibilities**

As per the Public Bodies (Joint Working) Act and as specified within the integration authority's Integration Scheme, the Chief Officer's role is to provide a single senior point of overall strategic and operational advice to the integration authority. In line with this, overall responsibility and accountability for the management of complaints lies with the Chief Officer.

Our final position on a complaint must be signed off by an appropriate senior officer and we will confirm that this is our final response. This ensures that our senior management own and are accountable for the decision. It also reassures the customer that their concerns have been taken seriously.

### **Chief Officer:**

The Chief Officer provides leadership and direction in ways that guide and enable us to perform effectively across all services. This includes ensuring that there is an effective complaints handling procedure, with a robust investigation process that demonstrates how we learn from the complaints we receive. The Chief Officer may take a personal interest in all or some complaints, or may delegate responsibility for the CHP to appropriate members of the Senior Management Team of the Health & Social Care Partnership. Regular management reports assure the integration authority of the quality of complaints performance.

### **Members of the Executive Team:**

Members of the Executive Team of the Health & Social Care Partnership may be responsible for:

- managing complaints and the way we learn from them
- overseeing the implementation of actions required as a result of a complaint
- investigating complaints
- deputising for the Chief Officer on occasion.

However, members of the Executive Team may decide to delegate some elements of complaints handling (such as investigations and the drafting of response letters) to other senior staff. Where this happens, senior management should retain ownership and accountability for the management and reporting of complaints. They may also be responsible for preparing and signing decision letters to customers, so they should be satisfied that the investigation is complete and their response addresses all aspects of the complaint.

**Heads of service:**

May be involved in the operational investigation and management of complaints handling. As senior officers they may be responsible for preparing and signing decision letters to customers, so they should be satisfied that the investigation is complete and their response addresses all aspects of the complaint.

**Complaints investigator:**

The complaints investigator is responsible and accountable for the management of the investigation. They may work in a service delivery team or as part of a centralised customer service team, and will be involved in the investigation and in co-ordinating all aspects of the response to the customer. This may include preparing a comprehensive written report, including details of any procedural changes in service delivery that could result in wider opportunities for learning across Aberdeen City IJB.

**All staff:**

A complaint may be made to any member of staff in Aberdeen City IJB. So all staff must be aware of this CHP and how to handle and record IJB complaints at the frontline stage. They should also be aware of who to refer a complaint to, in case they are not able to personally handle the matter. We encourage all staff to try to resolve complaints early, as close to the point of service delivery as possible, and quickly to prevent escalation.

**Aberdeen City IJB SPSO liaison officer:**

Our SPSO liaison officer's role may include providing complaints information in an orderly, structured way within requested timescales, providing comments on factual accuracy on our behalf in response to SPSO reports, and confirming and verifying that recommendations have been implemented.]

**Complaints about senior staff**

Complaints about senior staff can be difficult to handle, as there may be a conflict of interest for the staff investigating the complaint. When serious complaints are raised against senior staff, it is particularly important that the investigation is conducted by an individual who is independent of the situation. We must ensure we have strong governance arrangements in place that set out clear procedures for handling such complaints, including the handling of complaints about the Chief Officer.

**Recording, reporting, learning and publicising**

Complaints provide valuable customer feedback. One of the aims of the complaints handling procedure is to identify opportunities to improve services across Aberdeen City IJB. We must record all complaints in a systematic way so that we can use the complaints data for analysis and management reporting. By recording and using complaints information in this way, we can identify and address the causes of complaints and, where appropriate, identify opportunities for improvements.

**Recording complaints**

To collect suitable data it is essential to record all complaints in line with SPSO minimum requirements, as follows:

- the complainant's name and address
- the date the complaint was received
- the nature of the complaint
- how the complaint was received
- the date the complaint was closed at the frontline resolution stage (where appropriate)
- the date the complaint was escalated to the investigation stage (where appropriate)
- action taken at the investigation stage (where appropriate)
- the date the complaint was closed at the investigation stage (where appropriate)
- the outcome of the complaint at each stage
- the underlying cause of the complaint and any remedial action taken.

We have structured systems for recording complaints, their outcomes and any resulting action.

### ***Reporting of complaints***

Complaints details are analysed for trend information to ensure we identify procedural failures and take appropriate action. Regularly reporting the analysis of complaints information helps to inform improvement actions.

We publish on a quarterly basis the outcome of complaints and the actions we have taken in response. This demonstrates the improvements resulting from complaints and shows that complaints can influence our processes. It also helps ensure transparency in our complaints handling service and will help the public to see that we value their complaints.

We must:

- publicise on a quarterly basis complaints outcomes, trends and actions taken
- where and when possible, use case studies and examples to demonstrate how complaints have led to improvements.

This information should be reported regularly (and at least quarterly) to the integration authority.

### ***Learning from complaints***

At the earliest opportunity after the closure of the complaint, officers involved in handling the complaint will make sure that the customer and relevant staff in the integration authority understand the findings of the investigation and any recommendations made.

Senior management will review the information gathered from complaints regularly and consider whether processes could be improved or internal policies and procedures updated.

As a minimum, we must:

- use complaints data to identify the root cause of complaints
- take action to reduce the risk of recurrence
- record the details of corrective action in the complaints file, and
- systematically review complaints performance reports to improve processes.

Where we have identified the need for improvement:



- the action needed to improve services must be agreed by the integration authority
- senior management will designate the 'owner' of the issue, with responsibility for ensuring the action is taken
- a target date must be set for the action to be taken
- the designated individual must follow up to ensure that the action is taken within the agreed timescale
- where appropriate, performance should be monitored to ensure that the issue has been resolved
- we must ensure that the integration authority learns from complaints.

### **Publicising complaints performance information**

We also report on our performance in handling complaints annually in line with SPSO requirements. This includes performance statistics showing the volumes and types of complaints and key performance details, for example on the time taken and the stage at which complaints were resolved.

### **Maintaining confidentiality**

Confidentiality is important in complaints handling. It includes maintaining the complainant's confidentiality and explaining to them the importance of confidentiality generally. We must always bear in mind legal requirements, for example, data protection legislation, as well as internal policies on confidentiality and the use of customer's information.

### **Managing unacceptable behaviour**

People may act out of character in times of trouble or distress. The circumstances leading to a complaint may result in the complainant acting in an unacceptable way. Customers who have a history of challenging or inappropriate behaviour, or have difficulty expressing themselves, may still have a legitimate grievance.

A customer's reasons for complaining may contribute to the way in which they present their complaint. Regardless of this, we must treat all complaints seriously and properly assess them. However, we also recognise that the actions of customers who are angry, demanding or persistent may result in unreasonable demands on time and resources or unacceptable behaviour towards our staff. We will, therefore, work with the Health Board and the Council to apply the relevant organisational policies and procedures to protect staff from unacceptable behaviour such as unreasonable persistence, threats or offensive behaviour. Where a decision is made to restrict access to a customer under the terms of an unacceptable actions policy, the relevant procedure will be followed to communicate that decision, notify the customer of a right of appeal, and review any decision to restrict contact with us. This will allow the customer to demonstrate a more reasonable approach later.

### **Supporting the complainant**

All members of the community have the right to equal access to our complaints handling procedure. Customers who do not have English as a first language may need help with interpretation and translation services, and other customers may have specific needs that we will seek to address to ensure easy access to the complaints handling procedure.

We must always take into account our commitment and responsibilities to equality. This includes making reasonable adjustments to our processes to help the customer where appropriate.

Several support and advocacy groups are available to support individuals in pursuing a complaint and customers should be signposted to these as appropriate.

### **Time limit for making complaints**

This complaints handling procedure sets a time limit of six months from when the customer first knew of the problem, within which time they may ask us to consider the complaint, unless there are special circumstances for considering complaints beyond this time.

We will apply this time limit with discretion. In decision making we will take account of the Scottish Public Services Ombudsman Act 2002 (Section 10(1)), which sets out the time limit within which a member of the public can normally ask the SPSO to consider complaints. The limit is one year from when the person first knew of the problem they are complaining about, unless there are special circumstances for considering complaints beyond this time.

If it is clear that a decision not to investigate a complaint will lead to a request for external review of the matter, we may decide that this satisfies the special circumstances criteria. This will enable us to consider the complaint and try to resolve it.

## Appendix 1 - Timelines

### General

References to timelines throughout the complaints handling procedure relate to working days. When measuring performance against the required timelines, we do not count non-working days, for example weekends, public holidays and days of industrial action where our service has been interrupted.

### Timelines at frontline resolution

We will aim to achieve frontline resolution within five working days. The day the Chief Officer receives the complaint is day 1. Where they receive it on a non-working day, for example at the weekend or on a public holiday, day 1 will be the next working day.



#### Day 1:

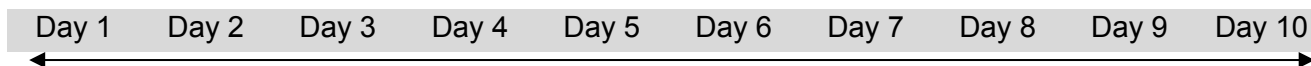
Day Aberdeen City IJB receives the complaint, or next working date if date of receipt is a non-working day.

#### Day 5:

Frontline resolution achieved or complaint escalated to the investigation stage.

### Extension to the five-day timeline

If Aberdeen City IJB has extended the timeline at the frontline resolution stage in line with the procedure, the revised timetable for the response will take no longer than 10 working days from the date of receiving the complaint.



#### Day 1:

Day Aberdeen City IJB receives the complaint, or next working date if date of receipt is a non-working day.

In a few cases where it is clearly essential to achieve early resolution, Aberdeen City IJB may authorise an extension within five working days from when the complaint was received. They must conclude the frontline resolution stage within 10 working days from the date of receipt, either by resolving the complaint or by escalating it to the investigation stage.

#### Day 10:

Frontline resolution achieved or complaint escalated to the investigation stage.

### Transferring cases from frontline resolution to investigation

If it is clear that frontline resolution has not resolved the matter, and the complainant wants to escalate the complaint to the investigation stage, the case must be passed for investigation without delay. In practice this will mean on the same day that the complainant is told this will happen.

### Timelines at investigation

Aberdeen City IJB may consider a complaint at the investigation stage either:

- after attempted frontline resolution, or
- immediately on receipt if they believe the matter to be sufficiently complex, serious or appropriate to merit a full investigation from the outset.

### Acknowledgement

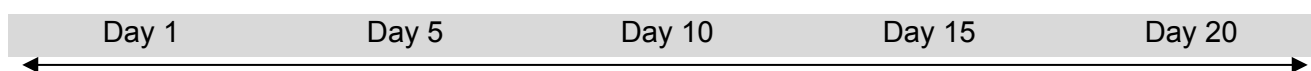
All complaints considered at the investigation stage must be acknowledged within **three working days** of receipt. The date of receipt is:

- the day the case is transferred from the frontline stage to the investigation stage, where it is clear that the case requires investigation, or
- the day the complainant asks for an investigation after a decision at the frontline resolution stage. It is important to note that a complainant may not ask for an investigation immediately after attempts at frontline resolution, or
- the date Aberdeen City IJB receives the complaint, if it is sufficiently complex, serious or appropriate to merit a full investigation from the outset.

### Investigation

Aberdeen City IJB will respond in full to the complaint within **20 working days** of receiving it at the investigation stage.

The 20-working day limit allows time for a thorough, proportionate and consistent investigation to arrive at a decision that is objective, evidence-based and fair. We have 20 working days to investigate the complaint, regardless of any time taken to consider it at the frontline resolution stage.



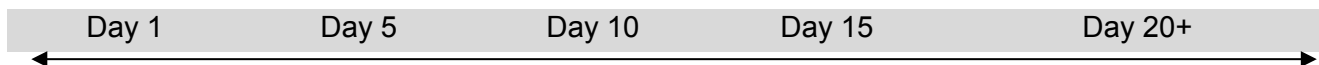
#### Day 1:

Day complaint received at investigation stage, or next working day if date of receipt is a non-working day. Acknowledgement issued within three working days.

#### Day 20:

The decision issued to complainant or agreement reached with them to extend deadline

Exceptionally you may need longer than the 20-day limit for a full response. If so, the Chief Officer will explain the reasons to the complainant, and agree with them a revised timescale.



**Day 1:**

Day 1: complaint received at investigation stage, or next working day if date of receipt is a non-working day. Acknowledgement issued within three working days.

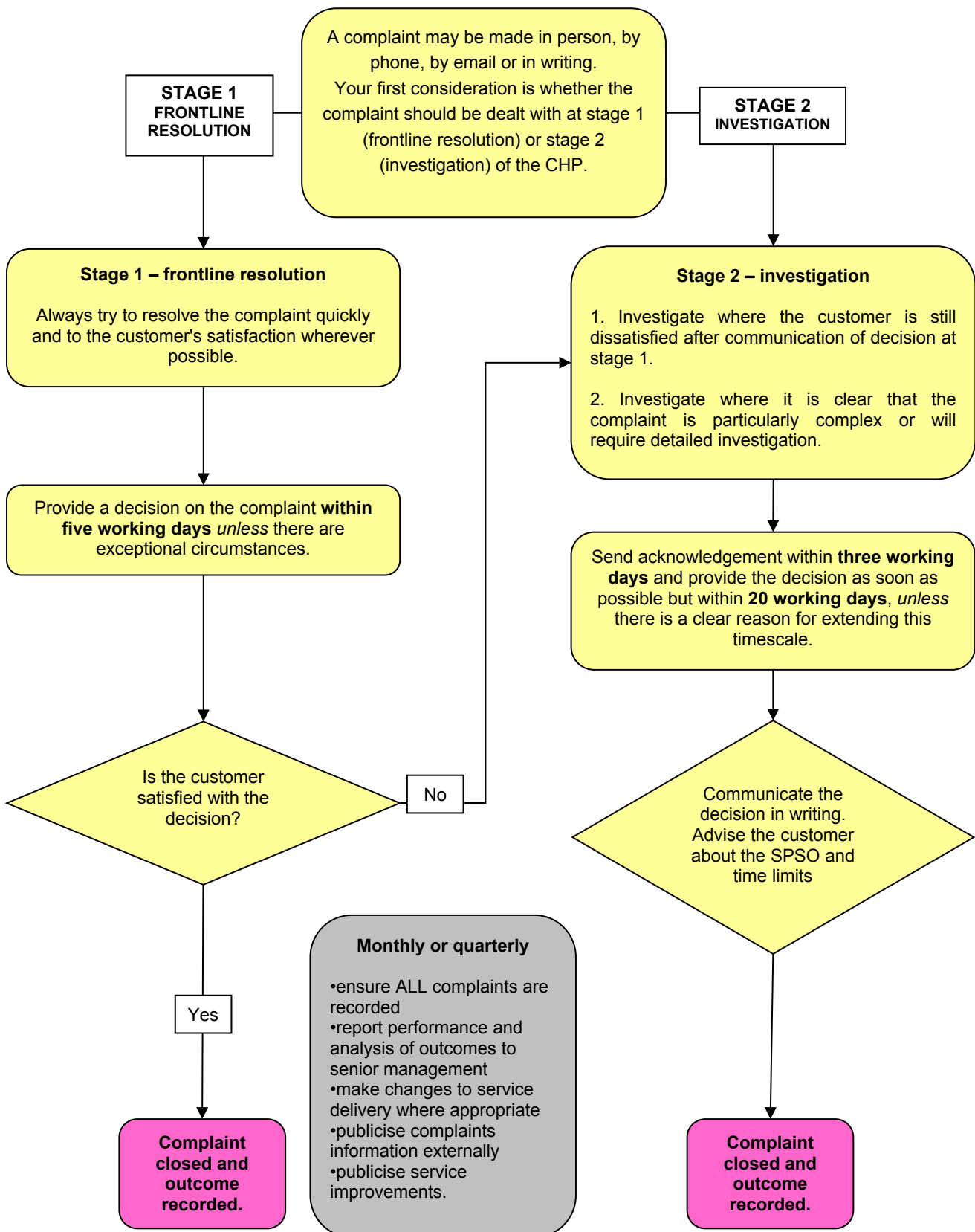
**By Day 20:**

In agreement with the complainant where possible, decide a revised timescale for bringing the investigation to a conclusion.

**By agreed date:**

Issue our final decision on the complaint

## Appendix 2 - The complaints handling procedure



### Appendix 3

<b>Contact Details:</b>	<b>Where are we going to direct people to send their complaints?</b>
<b>Telephone:</b>	<b>01224 655725</b>
<b>Email:</b>	<b><a href="mailto:bjohnson@aberdeencity.gov.uk">bjohnson@aberdeencity.gov.uk</a></b>
<b>In person:</b>	<b>Judith Proctor, Chief Officer, 50 Frederick Street, Aberdeen, AB24 5HY.</b>

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## Appendix B

### Compliance statement and self-assessment

#### Aberdeen City Integration Joint Board

##### Contact Details:

Judith Proctor,  
Chief Officer,  
Aberdeen City Health & Social Care Partnership,  
Aberdeen Community Health & Care Village,  
50 Frederick Street,  
Aberdeen,  
AB24 5HY.  
Email: [jproctor@aberdeencity.gov.uk](mailto:jproctor@aberdeencity.gov.uk)

This information on this pro forma must be provided to the Scottish Public Services Ombudsman's Complaints Standards Authority (CSA) as soon as the organisation adopts the model CHP, or by **3 July 2017** at the latest. Please send the completed form to [CSA@spsa.org.uk](mailto:CSA@spsa.org.uk).

Please provide, **at Section 1**, confirmation that the organisation has adopted both the CHP and the complainant-facing CHP. Please also provide details on approval, pilots, systems and training where appropriate.

At Section 2 please complete a self-assessment of your organisation's CHP, or draft CHP for implementation by 3 July 2017, against the requirements of the SPSO model CHP.

The CSA will assess the information provided by the organisation, and respond to indicate compliance or otherwise Scottish Government and Associated Public Bodies Model Complaints Handling Procedure.

**SECTION 1 - Statement from Chief Officer, Aberdeen City Integration Joint Board.**

<b>[please delete as applicable]</b>	Please ✓
The Organisation will adopt the IJB's CHP from 3 July 2017, accompanied by appropriate customer information available on the internet.	✓

Please confirm the name of the Chief Officer:

**Judith Proctor**

.....

DRAFT

## SECTION 2 – Aberdeen City Integration Joint Board Self-assessment of compliance

Requirement of CHP	Met Yes/No	Comment
Does the CHP adopt the text and layout of the published model CHP, subject to necessary amendments, to reflect, for example, the organisational structure, operational processes and corporate style?	Yes	
Does the complainant facing CHP adopt the text and layout of the published model complainant facing CHP, subject to necessary amendments?	Yes	As there are two separate complaints systems in operation at the moment, the complainant facing CHP's of NHS Grampian and Aberdeen City Council will be used. An integrated system is being worked on and when agreed a complainant facing CHP will be devised for the IJB
Does the CHP include an appropriate foreword from the organisation's Chief Officer?	Yes	
Does the CHP provide an appropriate definition of a complaint?	Yes	
Does the CHP explain the types of issues which may be considered as a complaint?	Yes	
Does the CHP explain the types of issues which may not be considered through the CHP (for example, appeals, requests for service etc)?	Yes	
Does the CHP include appropriate guidance on handling anonymous complaints?	Yes	
Does the CHP clarify who can make a complaint?	Yes	
Does the CHP cover complaints involving HSCP services?	Yes	
Does the CHP cover complaints involving other organisations or contractors who provide a service on behalf of the organisation?	Yes	
Does the CHP explain how a complainant may make a complaint?	Yes	

<b>Requirement of CHP</b>	<b>Met Yes/No</b>	<b>Comment</b>
Does the CHP explain the issues to be considered on the receipt of a complaint?	Yes	
Does the CHP include the correct timeline at frontline resolution?	Yes	
Does the CHP explain the basis for an extension to the timeline at Frontline Resolution?	Yes	
Does the CHP explain the action to take in closing the complaint at the frontline resolution stage?	Yes	
Does the CHP explain when to escalate a complaint to the investigation stage?	Yes	
Does the CHP explain what to do when a complaint is received at the investigation stage?	Yes	
Does the CHP explain the requirement to acknowledge complaints within three working days at the investigation stage?	Yes	
Does the CHP explain the requirement to provide a full response to complaints within 20 working days at the investigation stage?	Yes	
Does the CHP explain the basis for an extension to the timeline at the investigation stage?	Yes	
Does the CHP explain the required action when closing the complaint at the investigation stage?	Yes	
Does the CHP explain the requirement to provide information about the SPSO at the conclusion of the investigation?	Yes	
Does the CHP explain the roles and responsibilities of all staff involved in complaints handling?	Yes	
Does the CHP cover complaints about senior staff?	Yes	

Requirement of CHP	Met Yes/No	Comment
Does the CHP include the requirement to record all appropriate details in relation to the complaint?	Yes	
Does the CHP commit to publishing complaints outcomes, trends and actions taken on a quarterly basis and reporting information on complaints to senior management regularly (and at least quarterly)?	Yes	
Does the CHP include the requirement to learn from complaints?	Yes	
Does the CHP include the requirement to report performance in handling complaints annually?	Yes	
Does the CHP refer to legal requirements in relation to confidentiality issues?	Yes	
Does the CHP refer to managing unacceptable behaviour?	Yes	
Does the CHP refer to support for the complainant?	Yes	
Does the CHP set a time limit of six months to consider the complaint, unless there are special circumstances for considering complaints beyond this time?	Yes	

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## Audit and Performance Systems Committee

<b>Report Title</b>	Revised Board Assurance and Escalation Framework
<b>Lead Officer</b>	Alex Stephen, Chief Finance Officer, ACHSCP
<b>Report Author (Job Title, Organisation)</b>	Alex Stephen, Chief Finance Officer, ACHSCP
<b>Report Number</b>	HSCP/17/061
<b>Date of Report</b>	01/06/2017
<b>Date of Meeting</b>	20/06/2017

### 1: Purpose of the Report

To present the Audit and Performance Systems (A&PS) Committee with the revised Board Assurance and Escalation Framework for approval.

### 2: Summary of Key Information

#### The Board Assurance and Escalation Framework (BAEF).

In order to fulfil its remit, the Integration Joint Board (IJB) needs to be able to demonstrate an effective governance process whereby it can be assured that key risks to the achievement of integration objectives are appropriately identified, communicated and addressed.

The BAEF describes the regulatory framework of the IJB to support its vision, values and principles, within which the A&PS committee will work. Fundamental to the framework are the IJB's strategic priorities and the appetite for risk that the board has across these priorities.

It presents and populates a model where individuals, groups and committees, plans, reports, and reporting processes are mapped at different organisational levels, against two broad assurance requirements: compliance and transformation.

A key element of the assurance framework is the risk management system, whose outputs (i.e. strategic and corporate risk registers, and other reports) contribute significantly to board assurance on key risks to objectives.



## Audit and Performance Systems Committee

The appendices illustrate the landscape in which the IJB will operate:

- The committee structure and terms of reference.
- The risk assessment system.
- The risk escalation process.
- The clinical and care governance framework.
- The IJB's cycle of business.

The A&PS committee performs the key role of reviewing and reporting on the effectiveness of the governance structures in place and on the quality of the assurances the Board receives.

### **Introduction and Revision of the BAEF.**

The BAEF was formally approved by the IJB at its meeting in March 2016. The A&PS committee assumed responsibility for the regular review and any necessary escalation of the BAEF at its meeting in May 2016. The Executive Team have undertaken a review of the BAEF and present the revised version to the A&PS committee (appendix A).

Largely, the content of the BAEF remains the same after the revision. Key changes include:

- Recommendation that the A&PS reviews the BAEF annually,
- Suggested delegation of the review of the Corporate (Operational) Risk Register to the Clinical & Care Governance Committee, with only major issues being escalated to the Integration Joint Board ,
- Updates to the text to reflect that we are no longer in the first year of operation,
- Formalised cycle of business indicating regular reporting in key areas.
- Additional information on escalation process





## Audit and Performance Systems Committee

### 3: Equalities, Financial, Workforce and Other Implications

**Equalities** – there are no equalities implications

**Financial** – there are no financial implications

**Workforce** – there are no workforce implications

**Other** – there are no other implications

### 4: Management of Risk

#### Identified risk(s):

- There is a risk that responsibilities, processes and route of reporting may be unclear in some parts of the system during transition, which could impact on the ability of the A&PS committee to keep the IJB informed about risks of significance to its operations.
- There is a risk that the framework may not be updated in line with the pace of change experienced across the partnership.

**Link to risk number on strategic or operational risk register:** NA

**How might the content of this report impact or mitigate the known risks:** This report helps to mitigate the risks as it commits to an annual review of the BAEF to ensure it is updated appropriately. Further, the information provided in the BAEF (appendix A) helps to mitigate the impact of a number of risks in the strategic risk register, by providing the necessary assurance and escalation processes.

### 5: Recommendations

It is recommended that the Audit and Performance Systems Committee:

1. Comments on the revised BAEF, as in appendix A.
2. Recommends the revised BAEF is approved by the Integration Joint Board.



Aberdeen City Health & Social Care Partnership  
*A caring partnership*

## **Audit and Performance Systems Committee**



Aberdeen City Health & Social Care Partnership

*A caring partnership*



# Board Assurance and Escalation Framework

Revised 20.06.2017



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## Part 1: Introduction

### 1.1 Background

The partner organisations of Aberdeen City Health and Social Care Partnership (ACHSP), Aberdeen City Council and NHS Grampian (the “Parties”), are committed to successfully integrating health and social care services, to achieve the partnership’s vision of:

*“a caring partnership, working together with our communities to enable people to achieve healthier, fulfilling lives and wellbeing.”*

ACHSP has established an Integrated Joint Board (IJB) through the Public Bodies (Joint Working) (Scotland) Act 2014. The remit of the IJB is to prepare and implement a Strategic Plan in relation to the provision of health and social care services to adults in its area in accordance with sections 29-39 of the Public Bodies Act. The arrangements for governance of the IJB itself, including rules of membership, are set out in the Integration Scheme and Standing Orders.

While the Parties are responsible for implementing governance arrangements of services the IJB instructs them to deliver, and for the assurance of quality and safety of services commissioned from the third and independent sectors, the Parties and the IJB are accountable for ensuring appropriate clinical and professional governance arrangements for their duties under the Act. The IJB therefore needs to have clear structures and systems in place to assure itself that services are planned and delivered in line with the principles of good governance and in alignment with its strategic priorities.

The IJB must have in place a robust framework to support appropriate and transparent management and decision-making processes. This framework will enable the board to be assured of the quality of its services, the probity of its operations and of the effectiveness with which the board is alerted to risks to the achievement of its overall purpose and priorities.

### 1.2 Regulatory framework

The Aberdeen City Health and Social Care Integration Scheme describes the regulatory framework governing the IJB, its members and duties. In particular, the IJB is organised in line with the guidance set out in the Roles, Responsibilities and Membership of the Integration Joint Board - Guidance and advice to supplement the Public Bodies (Joint Working) (Integration Joint Board) (Scotland)



Order 2014. The principles of and codes of conduct for corporate governance in Scotland are set out in “On Board: A Guide for Members of Public Bodies in Scotland”, published by the Scottish Government in July 2006. Detailed arrangements for the board’s operation are set out in “Roles, Responsibilities and Membership of the Integration Joint Board” Guidance and advice to supplement the Public Bodies (Joint Working) (Integration Joint Board) (Scotland) Order 2014. There are also Standing Orders of the IJB.

The IJB will make recommendations, or give directions where appropriate (i.e. where funding for employment is required) to the decision-making arms of the two Parties as required.

### 1.3 Purpose of the framework

This governance framework describes the means by which the board secures assurance on its activities. It sets out the governance structure, systems and performance and outcome indicators through which the IJB receives assurance. It also describes the process for the escalation of concerns or risks which could threaten delivery of the IJB’s priorities, including risks to the quality and safety of services to service users.

It is underpinned by the principles of good governance<sup>1 2 3</sup> and by awareness that ACHSP is committed to being a leading edge organisation in the business of transforming health and social care.

This commitment requires governance systems which will encourage and enable innovation, community engagement and participation, and joint working. Systems for assurance and escalation of concerns are based on an understanding of the nature of risk to an organisation’s goals, and to the appetite for risk-taking. The development of a mature understanding of risk is thus fundamental to the development of governance systems. The innovative nature of Health and Social Care Integration Schemes also requires governance systems which support complex arrangements, such as hosting of services on behalf of other IJBs, planning only of services delivered by other entities, accountability for assurance without delivery responsibility, and other models

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<sup>1</sup> Good Governance Institute (GGI) and Healthcare Quality Improvement Partnership (HQIP), *Good Governance Handbook*, January 2015,. <http://www.good-governance.org.uk/good-governance-handbook-publication/>

<sup>2</sup> The Scottish Government, Risk Management – public sector guidance, 2009. <http://www.gov.scot/Topics/Government/Finance/spfm/risk>

<sup>3</sup> Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants® (IFAC®). *International Framework: Good Governance in the Public Sector*, (2014) - <http://www.cipfa.org/policy-and-guidance/standards/international-framework-good-governance-in-the-public-sector>

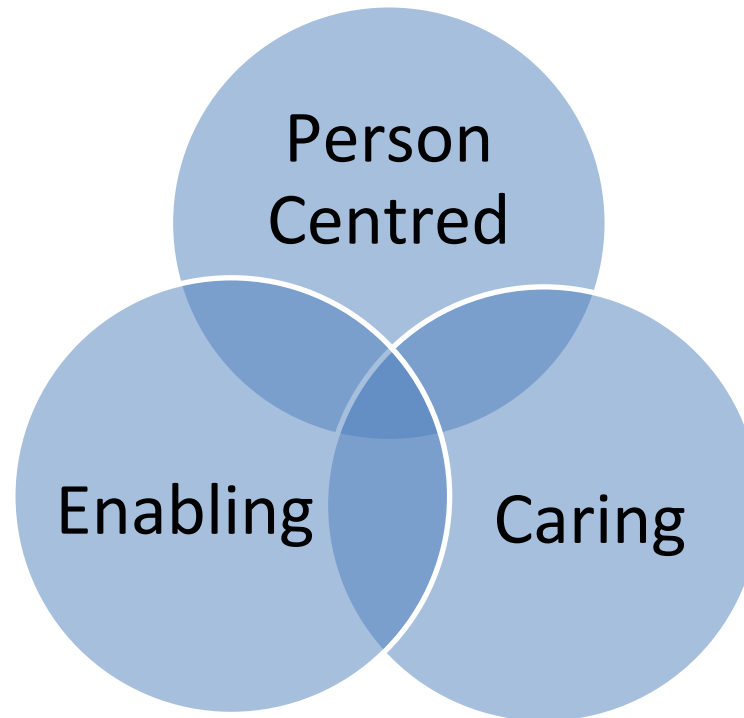


of care delivery and planning. This framework has been constructed in the light of these complexities and the likelihood that it may be important to amend and revise the systems as our understanding of the integration environment develops.

The structures and systems described are those in place from June 2017. In order to ensure that the framework can best support the IJB in its ambitions going forward, it will be reviewed annually.

#### 1.4 An integrated approach to governance for health and social care

In working towards the vision stated above, the IJB is committed to ensuring that delegated services are:





The integration principles identified by The Scottish Government <sup>4</sup> also underpin decision-making within the IJB.

In 2013, the principles of good governance for both healthcare quality and for quality social care in Scotland were described.<sup>5</sup> These stressed the importance of:

- Embedding continuous improvement
- Providing robust assurance of high quality, effective and safe clinical and care services
- The identification and management of risks to and failure in services and systems
- Involvement of service users/carers and the wider public in the development of services
- Ensuring appropriate staff support and training
- Ensuring clear accountability

The rest of this document and its appendices sets out the structures and systems currently in place to support both assurance of compliance and of transformation of services within the scope of ACHSP business. This framework can be represented graphically as follows in Table 1:

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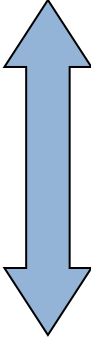
<sup>4</sup> Integration Planning and Delivery Principles, The Scottish Government. <http://www.gov.scot/Topics/Health/Policy/Adult-Health-SocialCare-Integration/Principles>

<sup>5</sup> Governance for Quality Healthcare, The Scottish Government, 2013. <http://www.gov.scot/Topics/Health/Policy/Quality-Strategy/GovernanceQualityHealthcareAgreement>





**Table 1**

	<b>ASSURANCE of COMPLIANCE</b>	<b>ASSURANCE of IMPROVEMENT, INNOVATION and TRANSFORMATION</b>
<b>FOCUS</b>	Compliance with standards and regulation, communication and escalation of concerns and risks	Improving services, measuring and sustaining improvement Challenging work patterns, innovation, redesign and transformation
<b>KEY COMPONENTS</b>	People and Groups: partners; roles; committee structures Plans and Activities: engagement plan; risk management policy and system; audit system Feedback and Reporting processes: concerns and escalation process	
	<b>Board Level</b>	
	<b>Corporate Level</b>	
	<b>Service Level</b>	
	<b>Individual Level</b>	
<b>OUTCOMES</b>	IJB measures of success for stakeholders and assurances from internal and external sources	IJB measures of success for stakeholders and assurances from internal and external sources



## Part 2: The Framework

### 2.1 Strategic priorities

From the nine strategic outcomes identified nationally as desired outcomes from integration, the ACHSP has, in its Strategic Plan<sup>6</sup>, articulated seven strategic priorities, which form the basis of its governance framework.

- Develop a consistent person centred approach that promotes and protects the human rights of every individual and which enable our citizens to have opportunities to maintain their wellbeing and take a full and active role in their local community.
- Support and improve the health, wellbeing and quality of life of our local population.
- Promote and support self-management and independence for individuals for as long as reasonably possible.
- Value and support those who are unpaid carers to become equal partners in the planning and delivery of services, to look after their own health and to have a quality of life outside the caring role if so desired.
- Contribute to a reduction in health inequalities and the inequalities in the wider social conditions that affect our health and wellbeing.
- Strengthen existing community assets and resources that can help local people with their needs as they perceive them and make it easier for people to contribute to helping others in their communities.
- Support our staff to deliver high quality services that have a positive impact on personal experiences and outcomes.

These priorities underpin:

- Decision-making criteria for service development, planning and delivery; resource allocation etc
- The Board Assurance Framework of key strategic risks
- Corporate operational risk register
- Risk registers across all departments and areas of operation
- Individual performance and appraisals
- Evaluation of achievement against objectives

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<sup>6</sup> Aberdeen City Health and Social Care Partnership Strategic Plan 2016-19.



## 2.2 Risk Management

### Risk appetite

The ACHSP recognises that achievement of its priorities may involve balancing different types of risk and that there may be a complex relationship between different risks and opportunities. The IJB has therefore agreed a statement of its risk appetite.<sup>7</sup>

This statement is intended to be helpful to the board in decision-making and to enable members to consider the risks to organisational goals of not taking decisions as well as of taking them. As a newly established organisation, the ACHSP's appetite for risk will change over time, reflecting a longer-term aspiration to develop innovation in local service provision. As a result, the IJB is working towards a mature risk appetite over time<sup>8</sup>.

### Risk Management policy and system

The Risk Appetite statement, risk management policy, strategic and corporate risk registers form the risk management framework.

It sets out the arrangements for the management and reporting of risks to IJB strategic priorities, across services, corporate departments and IJB partners. In line with the principles set out in the Australia/New Zealand Risk Management Standard 4360<sup>9</sup>, it describes how risk is contextualised, identified, analysed for likelihood and impact, prioritised, and managed. This process is framed by the requirement for consultation and communication, and for monitoring and review.

Identified risks are measured according to the IJB risk assessment methodology and recorded onto risk registers. The methodology for assessment of risk appears at Appendix 5. They are escalated according to the flowchart shown at Appendix 6.

The outputs from risk assessment are as follows:

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<sup>7</sup> Aberdeen City Health and Social Care Partnership Risk Appetite Statement – contained within ACHSP Strategic Plan 2016-19.

<sup>8</sup> Good Governance Institute (GGI) and Aberdeen City Health and Social Care Partnership, *GGI Risk Appetite Board Assurance Prompt, including a maturity matrix to support better use of risk in partnership decision taking* (2016)

<sup>9</sup> Standards New Zealand, AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines is a joint Australia/New Zealand adoption of ISO 31000:2009



## 1. IJB board level: The Board Strategic Risk Register (SRR)

This document sets out the strategic risks which may threaten achievement of the IJB's strategic priorities, in order for the board to monitor its progress, demonstrate its attention to key accountability issues, ensure that it debates the right issue, and that it takes remedial actions to reduce risk to integration. Importantly, it identifies the assurances and assurance routes against each risk and the associated mitigating actions.

The issues identified are measured according to the IJB risk appetite and risk assessment methodology. They are summarised in a format which reflects the IJB's standardised risk register format. As the IJB develops its assurance process, each risk on this register will be analysed in detail using a format acknowledged as best practice in terms of Board Assurance Frameworks <sup>10</sup> (as illustrated in Appendix 1 – Strategic risk register format).

The risks are identified by:

- Discussions at Executive Group
- Review of Performance data and dashboards
- Reports from Project Management Board on review of PMO dashboards
- Review of the IJB Corporate Risk Register (see below)
- Review of Chief Officer reports and reports from IJB sub committees

The Executive Group agrees issues for inclusion on (and removal from) the SRR, and submits to the IJB quarterly for formal review

The Audit and Performance Systems Committee reviews the SRR for the effectiveness of the process annually.

## 2. Corporate Level: Operational Risk Register

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<sup>10</sup> Good Governance Institute (GGI) and 360 Assurance, *Building a Framework for Board/Governing Body Assurance*, February 2014. <http://www.good-governance.org.uk/wp-content/uploads/2014/07/360-GGI-Assurance-Framework-guidance.pdf>



The Corporate Risk Register comprises high scoring risks or those which cannot be managed locally from a range of sources. This document is routinely reviewed by both IJB sub committees to ensure:

- the right risks are being reported and escalated
- actions are being taken to mitigate risk
- these actions have been effective in reducing the risk level
- the IJB is aware of high level risks affecting services and of those where actions are not being taken in a timely manner or have not been successful in reducing the risk

The issues identified are measured according to the risk assessment methodology. They are recorded using the following format:

**Table 2**

Page 61	Strategic Priority	Description of Risk	Context	Impact	Date Last Assessed	Controls	Gaps in controls	Likelihood	Consequences	Risk Assessment	Assurances	Risk Owner/Handler	Con
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The risks are identified, using the risk assessment matrix for high scoring risks, from:

- Review of PMO dashboards
- Corporate department risk registers
- Service risk registers and review of reports from service governance groups
- Review of reports from IJB sub committees
- IJB Occupational Health and Safety committee reports

The Head of Operations owns the Operational Risk Register, and the Audit and Performance Systems Committee moderates risks escalated to ensure consistency and appropriateness of issues identified for inclusion and removal.

The Executive Group reviews the Corporate Risk Register and it will be reported to the Clinical and Care Governance Committee bi-monthly demonstrating the changes in the risk profile of the IJB.



The risk register is shared with the NHS Grampian and Aberdeen City Council through the report consultation process.

### 3. Service level: Risk registers and reports from governance groups

Arrangements have developed over the first year of operations across services, taking into account existing provider systems. Operational risks managed at the service and department level are monitored by the Chief Officer and Executive Team. The Clinical and Care Governance Group (see Appendix 3) has a key role in identifying risk across services which may affect the safety and quality of services to users. The aims in developing risk communication between services and the IJB will be to achieve consistency in reporting the nature and scale of risks and to clarify how these are reported, escalated and actions monitored. The risk escalation flowchart at Appendix 6 shows the basis for this process.

## 2.3 Roles and Responsibilities for governance

### Committee structure

This section describes the key committees and groups in relation to the IJB governance framework.

The board has established two sub-committees, as follows: **Audit and Performance Systems**, and **Clinical and Care Governance**. These sub committees have powers conferred upon them by the IJB.

In relation to governance and assurance, the **Audit and Performance Systems Committee** performs the key role of reviewing and reporting on the effectiveness of the governance structures in place and on the quality of the assurances the Board receives. It has a moderation role in relation to the consistency of risk assessment. It also has oversight of information governance issues.

The **Clinical and Care Governance Committee (CCGC)** provides assurance to the IJB in relation to the quality and safety of services planned and/or delivered by the IJB. Its key role is to ensure that there are effective structures, processes and systems of control for the achievement of the IJB's priorities, where these relate to regulator compliance, service user experience, safety and the quality of service outcomes. To support this role, the CCGC is informed by the clinical and care governance arrangements in place across NHS Grampian and Aberdeen City Council (see Appendix 4 - Clinical and care governance diagram).



It also assures the IJB that services respond to requirements arising from regulation, accreditation and other inspections' recommendations. The Committee will consider and approve high value clinical and care risks, consider the adequacy of mitigation, the assurance provided for that mitigation and refer residual high risks to the Board. It has a key role in assuring the board that learning from governance systems across services, including learning arising from incidents, complaints and identified risks, is shared and embedded as widely as possible.

The IJB's **Executive Team** is an executive group with oversight of the implementation of IJB decisions. It oversees risk registers, financial and operational delivery, the innovation and transformation programmes and assures the Audit and Performance Systems Committee of transformation progress. The group also assures the board on progress towards the achievement of its strategic priorities through the Performance Management Framework.

There are existing **governance arrangements within the providers of services delegated to the IJB**. Arrangements to standardise reporting systems through the IJB's governance structures are being progressed and will be reported in due course.

A diagram illustrating the structure appears at Appendix 2. A summary of the purpose, membership and reporting arrangements for these groups appears at Appendix 3.

## **Individual responsibilities**

### **1. Board and corporate level:**

The Chief Officer provides a single point of accountability for integrated health and social care services.

The Board and all its members must as a corporate body ensure good governance through the structures and systems described in this document. To ensure that the IJB is well-led and that all members are supported in this responsibility, a board development programme will be constructed to transfer knowledge and skills. To provide assurance that the Board has the capability and competence required, an annual self-assessment and periodic (minimum 3 yearly) independent assessment will be undertaken. In addition, an effective appraisal process for Board members is also in place.



## 2. Professional level:

There are existing clinical and professional leadership structures in place to support clinical and care governance. These are:

- Lead Nurse
- Chief Social Work Officer
- Lead Allied Health Professional (AHP)
- Primary Care Clinical Leads (GPs)
- Public Health Lead
- Clinical Lead

## 3. Locality level:

The IJB is consulting on the key requirements for a management structure to lead on the delivery of services. This will require that there is a direct line of sight to the appropriate clinical and professional lead roles, and must take into account the location of services: some are locality based and others not. The development plan is that each of the six delivery points will have a single leader responsible for the good clinical and care governance of services within their remit.

### 2.4 Reporting of information to provide assurance and escalate concerns

The framework shown in Table 1 in section 1.4 can be populated as shown in Table 3 below. This will be further developed over the coming year. Locality managers will work with their partners in local services to develop systems for reporting from their various governance forums through to the IJB, as indicated in Table 3 below:

**Table 3**

<b>FOCUS</b>	<b>Assurance of compliance, performance, improvement and transformation</b>
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	Individuals	Plans / activities	Groups / Partners	Reporting and feedback processes			
				Compliance with standards	Risk escalation and review	Performance monitoring	Improvement and Transformation reporting
<b>Board level</b>	Chair Chief Officer Board members Chairs / CEOs of the Parties	Strategic plan RM strategy Strategic Risk Assurance Register Corporate Risk register Performance framework Audit plan Standing Orders Integration Scheme	Board Executive group Audit and Performance Systems Committee Clinical and Care Governance Committee Other IJBs Scrutiny / governance arms of Parties	Review of BAF Review of risk scoring ( ) Review of Performance dashboard PMO report Audit reports to Board Exception and action plan review			
<b>Corporate level</b>	Directors Senior Managers PMO	Corporate risk register Performance dashboard Business planning Budget monitoring Joint Complaints Procedure	Executive Group Senior Management Teams Cluster Management Group Strategic Planning Group Clinical and Care Governance Group	Financial monitoring Corporate risk register review Risk moderation and review			
<b>Service level</b>	Clinical leads and Social work leads Professional leads Locality managers Service managers Service users	Communication and Engagement plan Clinical and care governance policies Risk registers and assessments	Community partners Service governance forums 'Deep Dive' activity	Risk register system Governance reports Real time feedback Response to complaints Service level dashboards			
<b>Individual level</b>	Staff members Service users Carers	Communication and Engagement plan Raising concerns policy Safeguarding alerts Risk assessment Incident reporting	Staff forums IJB engagement activity	Objective setting and review Supervision and line management Staff surveys Feedback mechanisms (see assurance source section)			



## 2.5 Sources of assurance

### Quality of services

Current providers have a range of clinical and care governance arrangements in place. Through these, the IJB has access to assurances which support the delivery of high quality care and ensure good governance. These assurances include:

- Quality Strategies
- Policies on raising concerns
- HR Policies
- Safeguarding Policy (Vulnerable Adults)
- Incident reporting and investigation policies and procedures
- Information Governance policies and processes
- Board member visits to service areas ('Deep Dive' activity)
- Staff Surveys
- Joint Staff Forum
- Staff Induction Programmes
- Leadership Programmes
- Performance and Appraisal Development Process
- Compliance reports – health and social care
- Learning lessons systems

### Engagement

The IJB regards the engagement of its partners and stakeholders in the planning and delivery of services as essential to achieving the goals of integration. The nature and level of engagement varies from group to group and the range of stakeholder with whom the IJB engages is broad, including:

- Service users



- Carers and families
- Staff
- The 'Our Ideas' Partnership suggestions website and system
- Commissioners
- Other providers in the acute and primary care health and social care sectors
- The independent and voluntary sector
- Housing, education providers, North East Partnership (IJBs)

Engagement will include consultation; communication of information; involvement in decision-making around planning and transforming services; feedback on services and other issues of concern or interest.

The ACHSP Communication and Engagement plan is in place in order to support engagement across these groups, and to provide a source of assurance that appropriate activities have been identified and implemented. It includes consideration of how to engage with hard to reach communities. The plan will include measures to assess its effectiveness over time. These will be reported through the IJB's Executive Group.



## Newsletters

Health Village newsletter  
NHSG Team Brief  
Scottish Care newsletter/ e-bulletin  
SHMU community newsletters  
Aberdeen Partnership Newsletter  
ACVO e-bulletin  
VSA Carers News

Care at Home Providers Group Forum  
Individual Independent providers  
Care and Support Providers Aberdeen  
Individual Third sector providers  
Housing providers / associations  
NHS Grampian Public Forum  
City Voice  
Civic Forum  
Sheltered Housing Network  
Joint Strategy groups  
GP Cluster Management Groups  
Cluster Operational Groups (COGs)  
Implementation Group (CIGs)  
Public Health Co-ordinators Network  
Local Community councils  
Mental Health and Learning Disability forums  
Joint Staff Forum  
Learning Partnerships

## Groups

## Other internal and external sources of assurance

In addition to the assurances emanating from the IJB's clinical and care governance framework, and its engagement with partners and stakeholders, there are numerous internal and external sources which relate to the delegated services. These include:

- Internal Audit
- External Audit
- External inspection agencies (Care Inspectorate and Healthcare Improvement Scotland)
- Health and Safety Executive
- Mental Welfare Commission
- Externally commissioned independent investigations e.g. Ombudsman and homicide investigations
- Clinical Audit
- Audit Scotland
- Scottish Council for Voluntary Organisations (SCVO)
- Royal College reviews

- Accreditation
- Information Services Division (ISD) Scotland
- Benchmarking with other health and social care providers
- Involvement in and learning from case reviews
- Voluntary Health Scotland
- Coroner's Inquests

The IJB will also commission external reviews of specific services where the need for additional independent assessments and assurance are identified.

## Appendices

- 1 Strategic Risk Register format
- 2 Committee diagram
- 3 Roles of committees and groups
- 4 **Programme Board Governance Diagram**
- 5 Clinical and care governance diagram
- 6 Risk assessment tables
- 7 Risk escalation process
- 8 Cycle of business (to be developed)

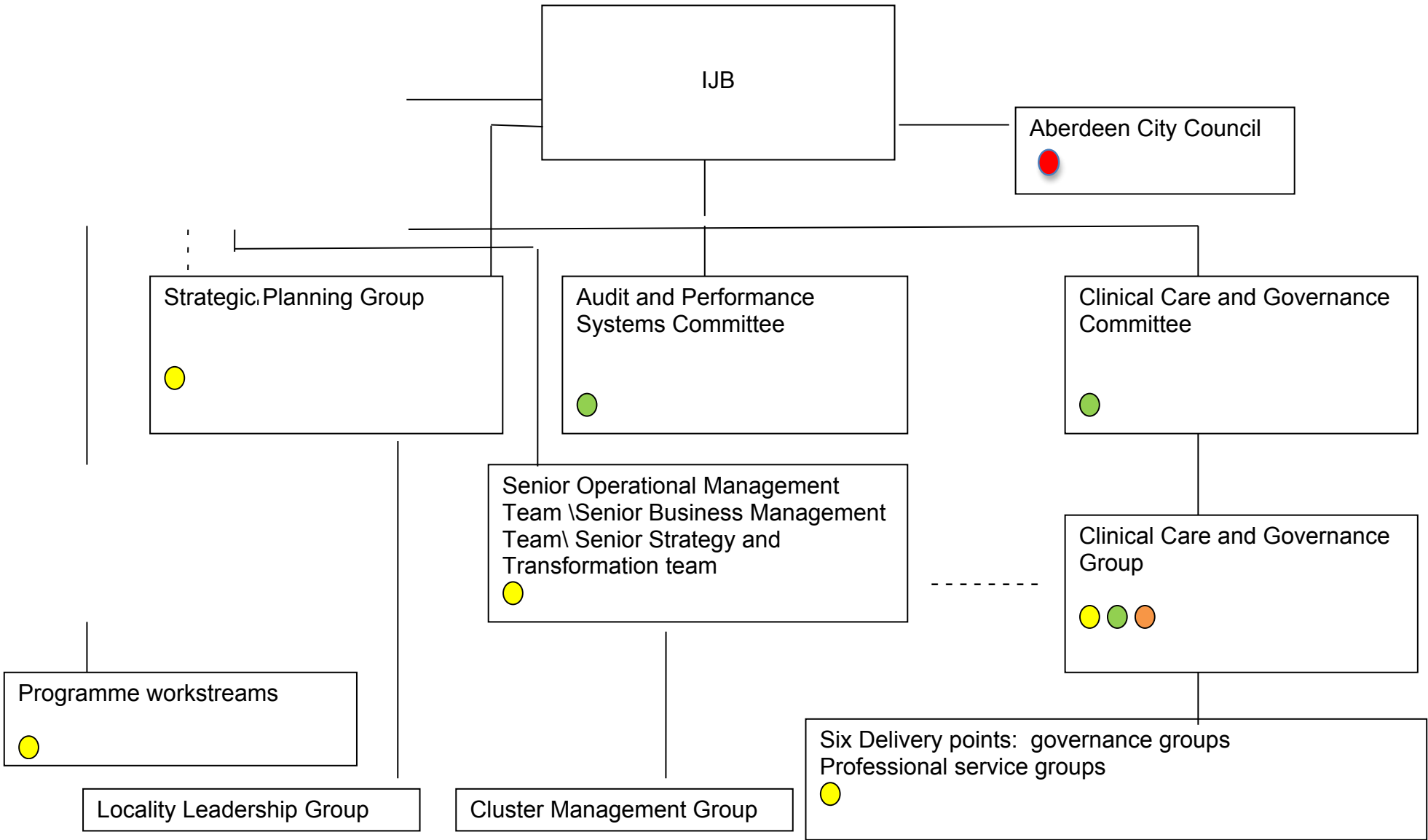
### Appendix 1 – Strategic risk register format

- 1 -	
<b>Description of Risk:</b>	
<b>Strategic Priority:</b>	<b>Lead Director:</b>
<b>Risk Rating:</b> low/medium/high/very high <div style="background-color: yellow; text-align: center; padding: 5px;"><b>Medium</b></div>	<b>Rationale for Risk Rating:</b>  <b>Rationale for Risk Appetite:</b>
<b>Risk Movement:</b> increase/decrease/no change <div style="background-color: yellow; text-align: center; padding: 5px;"><b>NO CHANGE</b></div>	
<b>Controls:</b>	<b>Mitigating Actions:</b>
<b>Assurances:</b>	<b>Gaps in assurance:</b>
<b>Current performance:</b>	<b>Comments:</b> •
<b>Appendix 2 - Board committee diagram</b>	

NHS Grampian

Executive Group/ Executive Programme Board

ve → Key Documents



Key  
● Assurance ● Executive ● Operational ● Advisory / information ● Liaison

## Appendix 3 – Roles of the Committees

Name of committee or group	Principal function/s	Membership	Reports to	Reports received / reviewed
<b>Executive Group</b>	<p>Robust and effective management processes are required to ensure management oversight of:</p> <ul style="list-style-type: none"> <li>• Care and Clinical Governance</li> <li>• Risk Management and oversight of Service and Corporate Risk Registers</li> <li>• Financial governance and performance oversight</li> <li>• Service performance</li> <li>• Staff governance</li> <li>• Health and Safety</li> <li>• Executive oversight of change programmes</li> <li>• Ensuring IJB's strategic plans are operationalised</li> <li>• Good decision making</li> </ul>	<p>The core membership is as follows:</p> <ul style="list-style-type: none"> <li>• Chief Officer – chair</li> <li>• Executive Assistant – co-ordinates papers, provides analysis and follows up actions, minutes meeting</li> <li>• Chief Finance Officer – financial reporting and performance</li> <li>• Clinical Lead – Clinical Governance reporting</li> <li>• Head of Operations – Operational performance</li> <li>• Head of Strategy and Transformation</li> </ul>	<p>IJB</p>	<p>The following will report as required to the Executive Group:</p> <ul style="list-style-type: none"> <li>• Lead Service Managers - Social Work</li> <li>• Lead Service Managers – Nursing, AHPs, Public Health, Primary Care Development and Intermediate Care and Rehab</li> <li>• Integration Programme Manager</li> <li>• Chief Officers – Moray and Aberdeenshire in relation to performance of 'hosted services'</li> <li>• General Manager Mental Health and Learning Disabilities (NHS)</li> <li>• Designated service health and safety leads</li> <li>• Partnership representatives / trade union representatives</li> <li>• Service Improvement and Quality</li> <li>• Chief Social Work Officer</li> <li>• Health Intelligence</li> <li>• Business Managers</li> </ul>



Name of committee or group	Principal function/s	Membership	Reports to	Reports received / reviewed
	and development of business cases			
<b>Strategic Planning Group</b>	<p>The role of the Strategic Planning Group is overseeing the development of the strategic commissioning plan and in continuing to review progress, measured against the statutory outcomes for health and wellbeing, and associated indicators.</p> <p>The strategic commissioning plan should be revised as necessary (and at least every three years), with the involvement of the Strategic Planning Group.</p>	<p>Prescribed groups of persons to be represented in strategic planning group:</p> <ul style="list-style-type: none"> <li>• health professionals;</li> <li>• users of health care;</li> <li>• carers of users of health care;</li> <li>• commercial providers of health care;</li> <li>• non-commercial providers of health care;</li> <li>• social care professionals;</li> <li>• users of social care;</li> <li>• carers of users of social care;</li> <li>• commercial providers of social care;</li> <li>• non-commercial providers of social care;</li> <li>• non-commercial providers of social housing; and third sector bodies carrying out activities related to health care or social care.</li> </ul>	Executive Group	Locality Leadership Group
<b>Audit and Performance Systems Committee</b>	<p>To review and report on the relevance and rigour of the governance structures in place and the assurances the Board receives.</p> <p>These will include a risk management system and a performance management system underpinned by an</p>	<p>The Committee will be chaired by a non-office bearing voting member of the IJB and will rotate between NHS and ACC. The Committee will consist of not less than 4 members of the IJB, excluding Professional Advisors. The Committee will include at least two voting members, one from Health and one from the Council.</p> <p>The Board Chair, Chief Officer, Chief</p>	IJB	Annual audit plan

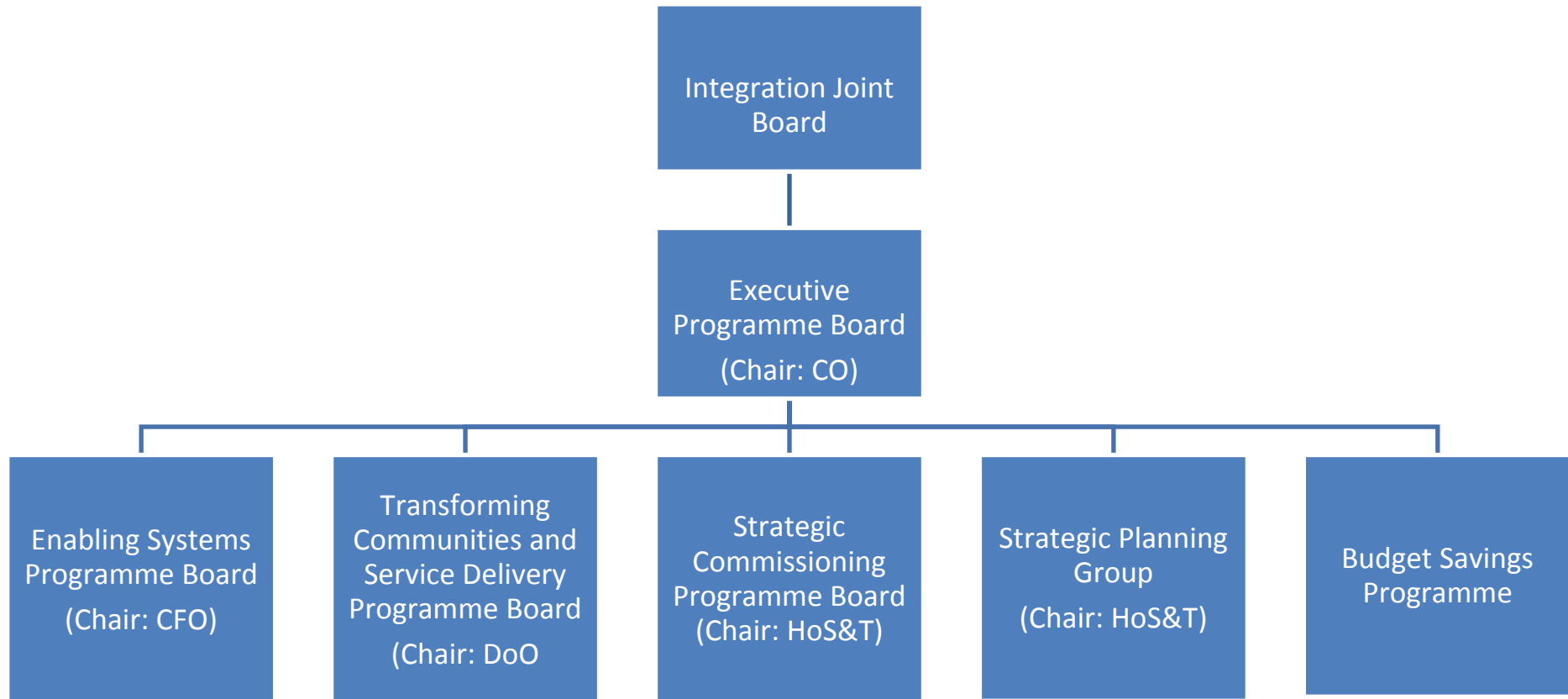
Name of committee or group	Principal function/s	Membership	Reports to	Reports received / reviewed
	Assurance Framework.	Finance Officer Chief Internal Auditor and other Professional Advisors and senior officers as required as a matter of course, external audit or other persons shall attend meetings at the invitation of the Committee. The Chief Internal Auditor should normally attend meetings and the external auditor will attend at least one meeting per annum.		
<b>Clinical and Care Governance Committee</b>	To provide assurance to the IJB on the systems for delivery of safe, effective, person-centred care in line with the IJB's statutory duty for the quality of health and care services.	<p>The Committee shall be established by the IJB and will be chaired by a voting member of the IJB. The Committee shall comprise of:</p> <ul style="list-style-type: none"> <li>• 4 voting members of the IJB</li> <li>• Chief Officer</li> <li>• Chief Social Work Officer</li> <li>• Chair of the Clinical and Care Governance Group/ Clinical Lead (GP)</li> <li>• Chair of the Joint Staff Forum</li> <li>• Professional Lead – Nurse/AHP</li> <li>• Public Representative</li> <li>• Third sector Sector representatives</li> </ul>	IJB	CCG Group report Feedback/Incidents Reporting Escalations from CCG Group
<b>Clinical and Care Governance Group</b>	To oversee and provide a coordinated approach to clinical and care governance issues within the Aberdeen City Health and Social Care Partnership.	<ul style="list-style-type: none"> <li>• Clinical Lead (Chair)</li> <li>• Clinical and Care Governance Lead</li> <li>• Head of Operations</li> <li>• Lead Social Work Manager</li> <li>• Lead Nurse</li> <li>• Public Health Lead</li> <li>• Clinical Governance Coordinator/Facilitator</li> </ul>	Clinical and Care Governance Committee	Reports from services: AHP Dentistry Optometry Pharmacy Nursing General Practice Social Work/Care Woodend Hospital and Links@Woodend

Name of committee or group	Principal function/s	Membership	Reports to	Reports received / reviewed
		<ul style="list-style-type: none"> <li>• Patient/Public Representative</li> <li>• Lead Allied Health Professional</li> <li>• GP Representative</li> <li>• Dental Clinical Lead or Dental Service Representative</li> <li>• Lead Optometrist</li> <li>• Representative from Sexual Health Service</li> <li>• General Practice Patient Safety Lead</li> <li>• Woodend Hospital and Link@ Woodend Representative</li> <li>• Representative from Commissioned Service</li> <li>• Partnership Representative</li> <li>• Representative from Community Mental Health and Learning Disability Services</li> <li>• Representative from Acute Sector</li> <li>• Public Partner</li> </ul>		Biannual Reports Falls Pharmacy/medication Patient Safety in Primary Care
<b>Locality Leadership Group</b>	<p>To deliver the locality planning requirements of the Public Bodies (Joint Working) (Scotland) Act 2014, in respect of the Aberdeen City Health and Social Care Partnership.</p> <p>The Locality Leadership Group will play a key role in ensuring the delivery of the Aberdeen City Health and</p>	<p>Chair and Vice Chair to be agreed by Group and appointed for a fixed 2-year period.</p> <ul style="list-style-type: none"> <li>▪ Health and Social Care Partnership Locality Manager</li> <li>▪ GP Locality Lead</li> <li>▪ Other GPs (TBC)</li> <li>▪ Representative of Acute Sector (Unit Operational Manager)</li> <li>▪ AHP Representative</li> <li>▪ Nursing Representative</li> </ul>	Strategic Planning Group	

Name of committee or group	Principal function/s	Membership	Reports to	Reports received / reviewed
	<p>Social Care Strategic Plan, including contributing to the delivery of its associated strategic outcomes.</p> <p>The role of the Locality Leadership Group will include developing and ensuring appropriate connections and partnerships across the Locality to improve the health and wellbeing of the locality population and reduce the health inequalities that we know impact poorly on people's lives.</p> <p>The locality leadership group will influence, and be influenced by, the city's Strategic Planning Group and ultimately the Integration Joint Board.</p> <p>The locality leadership group will also influence and be influenced by Community Planning Partnership processes.</p>	<ul style="list-style-type: none"> <li>▪ Community Mental Health/ LD/ Rehab representation</li> <li>▪ Unscheduled care representative (Out of hours/ A&amp;E)</li> <li>▪ Geriatric Medicine representative</li> <li>▪ Social Care Representative (Bon Accord Care &amp; Adult Social Care)</li> <li>▪ Housing sector representative</li> <li>▪ Third sector representative</li> <li>▪ Independent Sector Representative</li> <li>▪ Carer representative</li> <li>▪ Patient representative</li> <li>▪ Community representatives</li> <li>▪ People managing services in the locality area</li> </ul> <p>Other locality stakeholders as determined by the group</p> <p>Further to the above membership, the group may arrange reports/ attendance at meetings from non members as required, such as;</p> <ul style="list-style-type: none"> <li>▪ Primary Care Dentistry Locality Representative</li> <li>▪ Primary Care Optometry Locality Representative</li> <li>▪ Primary Care Pharmacy Locality Representative</li> </ul>		
<b>Executive Programme Board</b>	♦ Provide direction to programme board and	♦ Executive Team ♦ Lead Transformation Manager	♦ Seek IJB approval to incur	Papers from Enabling

Name of committee or group	Principal function/s	Membership	Reports to	Reports received / reviewed
	<p><b>working groups</b></p> <ul style="list-style-type: none"> <li>♦ Identify prioritised projects</li> <li>♦ Approve Business Cases</li> <li>♦ Ensure programme progress including ensuring that progress is supported to continue at pace</li> </ul> <p>Approve significant changes to programmes</p>		<p>expenditure for projects where required under standing orders (full life costs)</p> <p>Report on progress and performance to IJB</p>	<p>Systems/Strategic Commissioning/Transforming Communities and Service Delivery Programme Boards</p>
<p><b>Enabling Systems/Strategic Commissioning/Transforming</b></p>	<ul style="list-style-type: none"> <li>♦ <b>Support and enable progress at pace across transformation portfolio</b></li> <li>♦ Review and approve Project Proposal Documents</li> <li>♦ Consider “deep dives” into working group programmes to be assured of progress</li> </ul> <p>Ensure delivery of anticipated benefits and where these are no longer deliverable, redirect projects/ programmes accordingly</p>	<ul style="list-style-type: none"> <li>♦ Chair (ET Member)</li> <li>♦ Lead Transformation Manager (lead officer &amp; vice chair)</li> <li>♦ Operational Managers</li> <li>♦ Lead Professional Managers</li> <li>♦ Independent Sector</li> <li>♦ Third Sector</li> <li>♦ ACC Communities and Housing</li> <li>♦ Acute Sector</li> </ul> <p>Finance</p>	<p>Executive Programme Board</p>	<p>Workstreams and project groups</p>

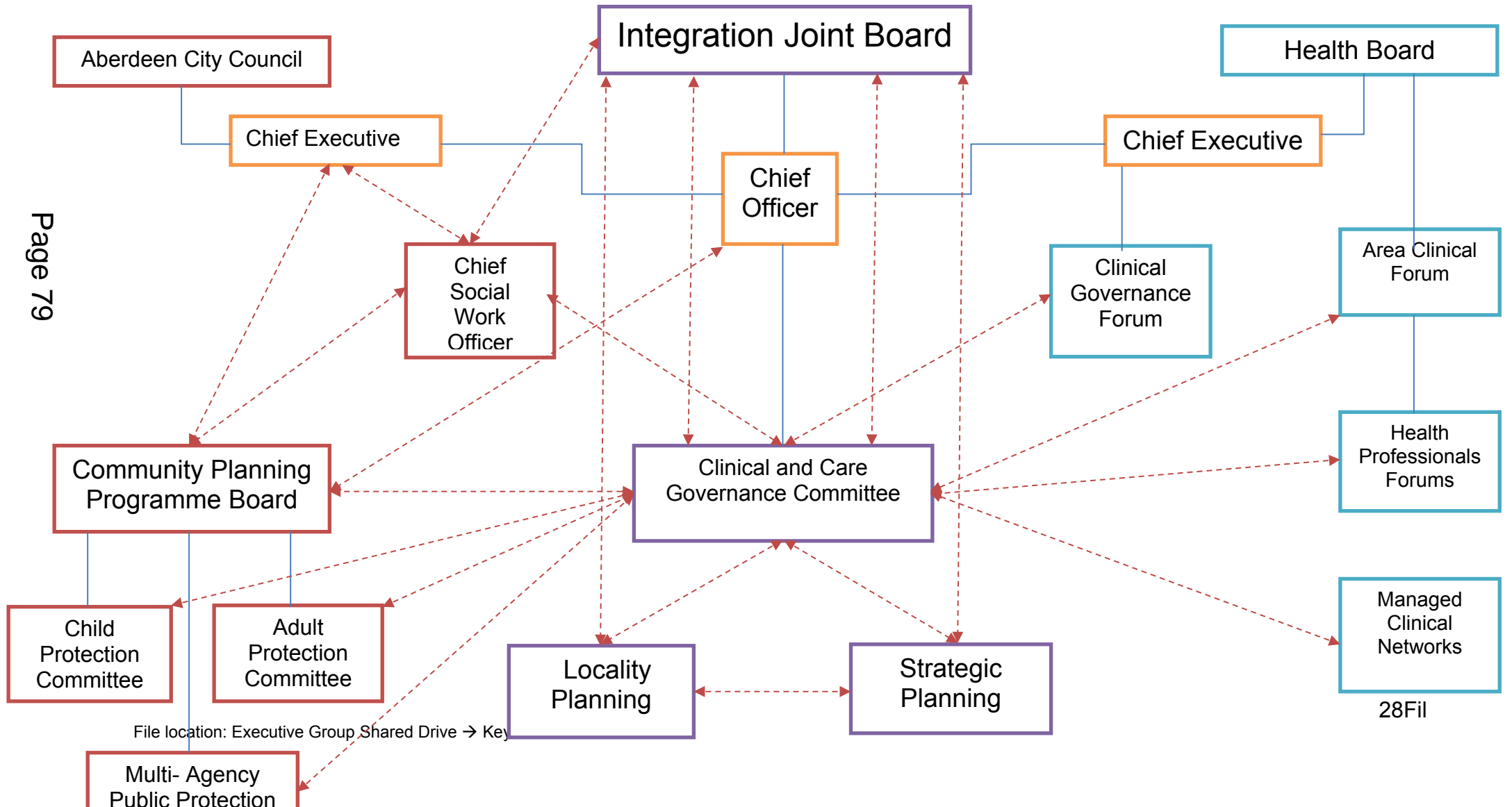
Appendix 4 – Transformation Programme Governance Diagram



File location: Executive Group Shared Drive → Key Documents

## Appendix 5 – Clinical and care governance diagram

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NHS Scotland Core Risk Assessment Matrices

Table 1 - Impact/Consequence Definitions

Descriptor	Negligible	Minor	Moderate	Major	Extreme
<b>Patient Experience</b>	Reduced quality of patient experience/ clinical outcome not directly related to delivery of clinical care.	Unsatisfactory patient experience/clinical outcome directly related to care provision – readily resolvable.	Unsatisfactory patient experience/clinical outcome, short term effects – expect recovery <1wk.	Unsatisfactory patient experience/ clinical outcome; long term effects –expect recovery >1wk.	Unsatisfactory patient experience/clinical outcome, continued ongoing long term effects.
<b>Objectives/ Project</b>	Barely noticeable reduction in scope, quality or schedule.	Minor reduction in scope, quality or schedule.	Reduction in scope or quality of project; project objectives or schedule.	Significant project over-run.	Inability to meet project objectives; reputation of the organisation seriously damaged.
<b>Injury (physical and psychological) to patient/ visitor/staff.</b>	Adverse event leading to a minor injury not requiring first aid treatment.	Minor injury or illness, first aid treatment required.	Agency reportable, e.g. Police (violent and aggressive acts). Significant injury requiring medical treatment and/or counselling.	Major injuries/long term incapacity or disability (loss of limb) requiring medical treatment and/or counselling.	Incident leading to death or major permanent incapacity.
<b>Complaints/ Claims</b>	Locally resolved verbal complaint	Justified written complaint peripheral to clinical care.	Below excess claim. Justified complaint involving lack of appropriate care.	Claim above excess level. Multiple justified complaints.	Multiple claims of single major claim. Complex justified complaint.
<b>Service/ Business Interruption</b>	Interruption in a service which does not impact on the delivery of patient care or the ability to continue to provide service.	Short term disruption to service with minor impact on patient care.	Some disruption in service with unacceptable impact on patient care. Temporary loss of ability to provide service.	Sustained loss of service which has serious impact on delivery of patient care resulting in major contingency plans being invoked.	Permanent loss of core service or facility. Disruption to facility leading to significant "knock on" effect.
<b>Staffin and Competence</b>	Short term low staffin level temporarily reduces service quality (< 1 day). Short term low staffin level (>1 day), where there is no disruption to patient care.	Ongoing low staffin level reduces service quality. Minor error due to ineffective training/implementation of training.	Late delivery of key objective/ service due to lack of staff. Moderate error due to ineffective training/ implementation of training. Ongoing problems with staffin levels.	Uncertain delivery of key objective /service due to lack of staff. Major error due to ineffective training/implementation of training.	Non-delivery of key objective/ service due to lack of staff. Loss of key staff. Critical error due to ineffective training / implementation of training.
<b>Financial (including damage/loss/ fraud)</b>	Negligible organisational/ personal financial loss (£-1k).	Minor organisational/ personal financial loss (£1-10k).	Significant organisational / personal financial loss (£10-100k).	Major organisational/personal financial loss (£100k- 1m).	Severe organisational/ personal financial loss (£>1m).
<b>Inspection/Audit</b>	Small number of recommendations which focus on minor quality improvement issues.	Recommendations made which can be addressed by low level of management action.	Challenging recommendations that can be addressed with appropriate action plan.	Enforcement action. Low rating. Critical report.	Prosecution. Zero rating. Severely critical report.
<b>Adverse Publicity/ Reputation</b>	Rumours, no media coverage. Little effect on staff morale.	Local media coverage – short term. Some public embarrassment. Minor effect on staff morale/ public attitudes.	Local media – long-term adverse publicity. Significant effect on staff morale and public perception of the organisation.	National media/adverse publicity, less than 3 days. Public confidence in the organisation undermined. Use of services affected.	National/International media/ adverse publicity, more than 3 days. MSP/MP concern (Questions in Parliament). Court Enforcement. Public Enquiry/FAI.

Table 3 - Risks

Likelihood
Almost Certain
Likely
Possible
Unlikely
Rare

References: AS/N

Table 4 - NH

Describes what response expected

Level of Risk	
Low	Acc or c Ma the
Medium	Acc Ma but the Ma the Rel the
High	Fur pos risk risk whi Rel ass to c ma Ho los inci
Very High	Un cor Coi Ma the The Ho tha inf cor

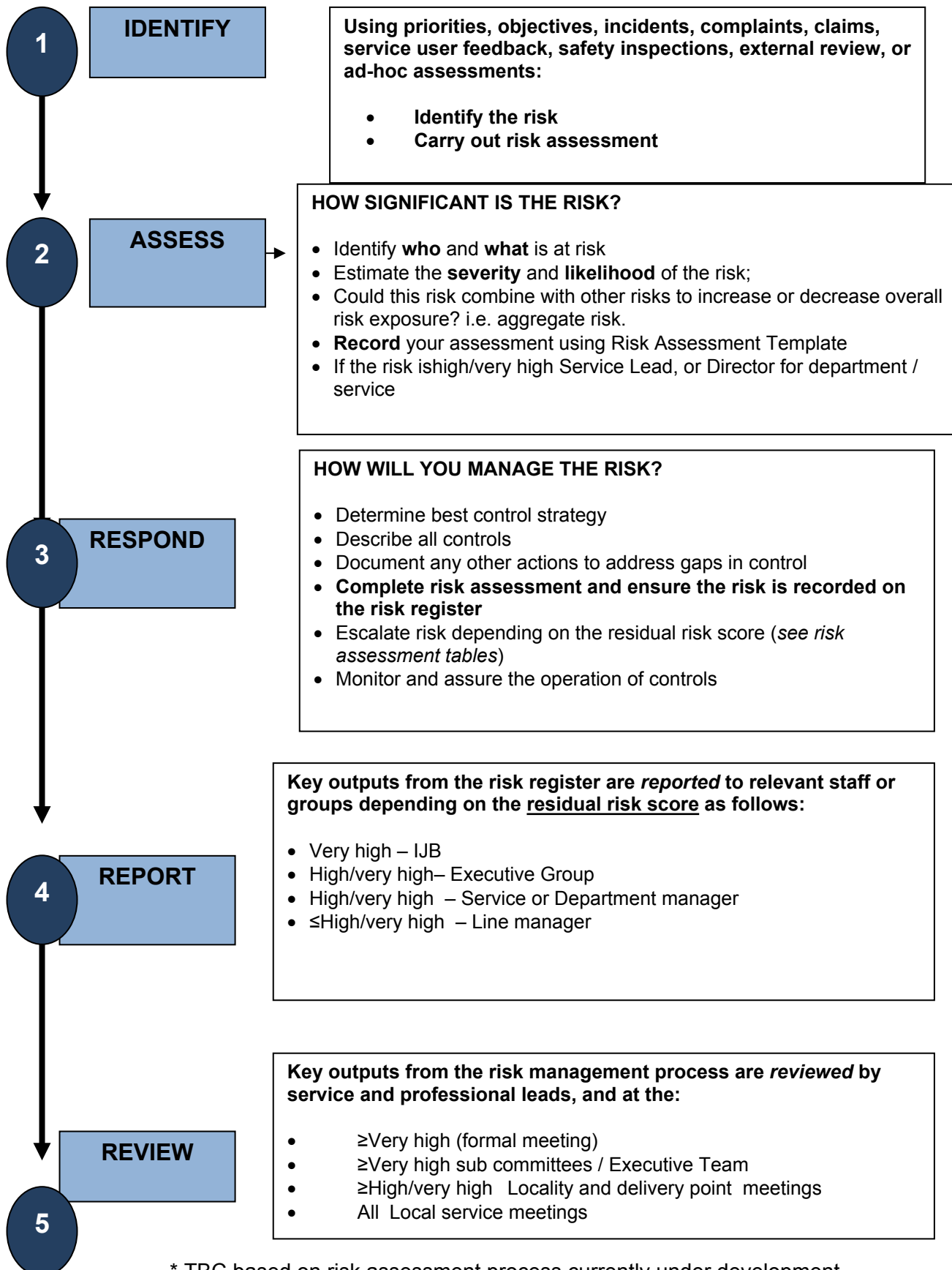
Table 2 - Likelihood Definitions

Descriptor	Rare	Unlikely	Possible	Likely	Almost Certain
<b>Probability</b>	<ul style="list-style-type: none"> <li>Can't believe this event would happen</li> <li>Will only happen in exceptional circumstances.</li> </ul>	<ul style="list-style-type: none"> <li>Not expected to happen, but definite potential exists</li> <li>Unlikely to occur.</li> </ul>	<ul style="list-style-type: none"> <li>May occur occasionally</li> <li>Has happened before on occasions</li> <li>Reasonable chance of occurring.</li> </ul>	<ul style="list-style-type: none"> <li>Strong possibility that this could occur</li> <li>Likely to occur.</li> </ul>	<ul style="list-style-type: none"> <li>This is expected to occur frequently/in most circumstances more likely to occur than not.</li> </ul>

Version March 2013



## Appendix 7 – Risk escalation process



\* TBC based on risk assessment process currently under development.

## Appendix 8 – Cycles of business

Business Type	Report Title	Lead Officer	Committee	Frequency	Last Reported	Reporting Date(s) for 2017/18
<b>Audit</b>	Annual Internal Audit Plan	D. Hughes	APS	Annual	Apr-17	Apr-18
<b>Audit</b>	Statement of Internal Financial Controls from Internal Auditors	D. Hughes	APS	Annual	Jun-17	Jun-18
<b>Audit</b>	External Auditor Plan	KPMG	APS	Annual	Feb-17	Feb-18
<b>Audit</b>	External Auditor Report	KPMG	APS	Annual	NA	Aug-17
<b>Audit</b>	Internal and External Auditors Private Meeting	NA	APS	Annual	Apr-17	Sep-17
<b>Finance</b>	Financial monitoring	A. Stephen	IJB & APS	Quarterly	Jun-17(APS)	Aug-17 (IJB), Nov-17 (APS), Feb-18 (APS), Jun-18 (IJB)
<b>Finance</b>	Unaudited Annual Accounts	A. Stephen	APS	Annual	Jun-17	Jun-18
<b>Finance</b>	Audited Annual Accounts	A. Stephen	APS	Annual	Sep-16	Aug-17
<b>Finance</b>	Annual Budget	A. Stephen	IJB	Annual	Mar-17	Mar-18

<b>Finance</b>	Review of Financial Regulations	A. Stephen	APS	Annual	Sep-17	Sep-18
<b>Governance</b>	Chief Social Worker Annual Update	B. Oxley	IJB	Annual	Jan-17	Jan-18
<b>Governance</b>	Board Assurance Framework Review	A. Stephen	APS	Annual	Jun-17	Jun-18
<b>Governance</b>	Governance Statement	A. Stephen	APS	Annual	Apr-17	Apr-18
<b>Governance</b>	Review of Committee Members	J. Proctor	IJB	Annual	Jun-17	Jun-18
<b>Governance</b>	Report on Directions	J. Proctor	IJB	Annual	NA	Mar-18
<b>Governance</b>	Review of Standing Orders and Scheme of Delegation	J. Anderson	IJB	Annual	NA	Oct17
<b>Performance</b>	Annual Performance Report	J. Proctor	IJB	Annual	Jun-17	Jun-18
<b>Performance</b>	Review of Performance Management Framework	S. Shaw	APS	Annual	NA	Sep-17
<b>Performance</b>	Performance Management Framework	S. Shaw	APS	Quarterly	NA	Aug-17 (IJB), Nov-17 (APS), Feb-18 (APS), Jun-18(IJB)
<b>Risk</b>	Strategic Risk Register	J. Proctor	IJB & APS	Quarterly	Feb-17	Aug-17 (IJB), Nov-17 (APS), Feb-18 (IJB), Jun-18 (IJB)

<b>Risk</b>	Operational risk register	Tom Cowan	CCG	Bi-monthly	Feb-17	Every meeting
<b>Strategic</b>	Strategic Plan - Review and Update	S. Shaw	IJB	Annual	NA	TBC
<b>Transformation</b>	Transformation Plan Monitoring	S Shaw	APS	Quarterly	Feb-17	Sept-17, Feb-18
<b>Transformation</b>	Review of Transformation Process	S Shaw	APS	Annually		Sept-17
<b>Transformation</b>	IJB Annual Update	S Shaw	IJB	Annual	NA	Jan-18



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## Audit and Performance Systems Committee

<b>Report Title</b>	Internal Audit Annual Report and Internal Financial Control Statement 2016/17
<b>Lead Officer</b>	David Hughes, Chief Internal Auditor
<b>Report Author (Job Title, Organisation)</b>	David Hughes, Chief Internal Auditor
<b>Report Number</b>	HSCP/17/048
<b>Date of Report</b>	9 June 2017
<b>Date of Meeting</b>	20 June 2017

### 1: Purpose of the Report

The purpose of this report is to provide the Committee with Internal Audit's Annual Report and Internal Financial Control Statement for 2016/17.

### 2: Summary of Key Information

It is one of the functions of the Integration Joint Board Audit and Performance Systems Committee to review the activities of the Internal Audit function, including its annual work programme.

The Internal Audit plan for 2016/17 was agreed by the Committee on 16 August 2016 following agreement of the reporting arrangements for Internal Audit outputs in Aberdeen City Council, NHS Grampian, and the Integration Joint Board. The plan consisted of one audit for the IJB with a number of specific audits agreed by Aberdeen City Council's Audit, Risk and Scrutiny Committee relating to Adult Social Care in the Council and by NHS Grampian's Audit Committee in relation to audits for that body.

The resultant outputs are reported as follows:

- IJB Internal Audit reports reported to the IJB Audit Committee in the first instance and thereafter to the Aberdeen City and NHS Grampian Audit Committees.
- Aberdeen City Council Adult Social Care audits reported to Aberdeen City Council's Audit, Risk and Scrutiny Committee in the first instance and thereafter to the IJB Audit Committee.
- Audits in NHS Grampian to the NHS Grampian Audit Committee in the first



## Audit and Performance Systems Committee

instance and thereafter to the IJB Audit Committee for relevant audits.

Appendix A to this report details the position with audits contained in the 2016/17 plan and those carried forward from 2015/16.

It is considered that sufficient work was completed during the year, or was sufficiently advanced by the year-end, on which to base the conclusion drawn in the annual Internal Financial Control Statement. This is supplemented by review of other relevant documentation, including Integration Joint Board and Audit and Performance Systems Committee papers, and the assessment of risk undertaken (by both Internal and External Audit) in updating the Internal (and External) Audit plan(s).

Internal Audit's annual opinion is attached as Appendix B, and concludes that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system in the year to 31 March 2017.

The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor report to Senior Management and the Board on the outcome of Internal Audit's Quality Assurance and Improvement Plan (QAIP). The detail of this is reported to Aberdeen City Council's Audit, Risk and Scrutiny Committee with the result in relation to 2015/16 being that Internal Audit either Fully or Generally Complied with all areas examined. Where General Compliance was recorded, actions were determined with the intention of moving these areas to Fully Complies.

No internal self-assessment has been completed for 2016/17 as an external review is in the process of being completed by KPMG. The outcome of this review is scheduled to be reported to Aberdeen City Council's Audit, Risk and Scrutiny Committee in June 2017.

The Standards also require that Internal Audit confirms to the Board, at least annually, that it is organisationally independent. The organisational independence of Internal Audit is established through Financial Regulations (approved by the Board on 29 March 2016). Other factors which help ensure Internal Audit's independence are that: the Internal Audit plan is approved by the IJB Audit and Performance Systems Committee; and Internal Audit reports its outputs to Committee in the name of the Chief Internal Auditor.

There is also a requirement to report any instances where the scope of Internal





## Audit and Performance Systems Committee

Audit's work has been limited. During 2016/17, there have been a two areas where Internal Audit's work has been limited:

- Internal Audit report AC1617 – Self-Directed Support:  
*“Although the Service has provided summary and detailed information and explanations on request, the scope of the audit has been restricted to a degree as the auditor was not granted access to CareFirst or the full detail of Support Plans and other records, due to concerns within the Service over compliance with data protection legislation. Whilst partial assurance has been obtained from the data and redacted documentation provided, there is a risk that omitted or redacted records could have contained information to confirm, add, or contradict findings raised within this report. The Service has stated that information redacted was third party and personal information relating to service users families only, however Internal Audit cannot verify this without access to the original documentation.”*
- Internal Audit report AC1709 – CareFirst System:  
*“As reported in previous Internal Audit reports the Service has not granted direct access to the live CareFirst system due to concerns over compliance with data protection legislation. Internal Audit has instead obtained assurance through examination of the processes and systems in place, discussion with key officers, redacted records provided by the CareFirst Team, and viewing data from the anonymised Test version of the system. Although the Service has stated that the Test and Live systems are directly comparable, restrictions on access to live data could have had an effect on the findings and the level of assurance obtained through the audit process.”*

The level of access that Internal Audit will have to the Care First System has now been agreed and is being arranged.

No Internal Audit reports have been received / reported to the IJB Audit and Performance Systems Committee from NHS Grampian's Internal Auditors during the year. NHS Grampian's Audit Committee will consider their Internal Auditors annual report on 27 June 2017. An update will be provided to the Audit and Performance Systems Committee when possible.



## Audit and Performance Systems Committee

### 3: Equalities, Financial, Workforce and Other Implications

An equality impact assessment is not required because the reason for this report is for Committee to discuss, review and comment on the Internal Audit Annual Report and Internal Financial Control Statement for 2016/17 and there will be no differential impact, as a result of this report, on people with protected characteristics.

There are no staffing or financial implications arising directly from this report.

### 4: Management of Risk

**Identified risk(s):** Good governance and internal controls are fundamental to the delivery of the strategic plan and therefore applicable to most of the risks within the strategic risk register.

**Link to risk number on strategic or operational risk register:** Risk numbers 1 to 10 of the strategic risk register.

**How might the content of this report impact or mitigate the known risks:**

Risk is inherent in all business operations. Management implement controls to mitigate identified risks and it is the role of Internal Audit to periodically review the systems of internal control to provide assurance to those charged with governance regarding their adequacy. The Internal Audit plan is developed on a risk basis, the detail of which was agreed by Aberdeen City Council's Audit, Risk and Scrutiny Committee.

### 5: Recommendations

It is recommended that the Committee:

1. Note the Internal Financial Control Statement for 2016/17;
2. Note that the Chief Internal Auditor has confirmed the organisational independence of Internal Audit;



## **Audit and Performance Systems Committee**

3. Note that there has been limitation to the scope of Internal Audit work during 2016/17; and
4. Note that no self-assessment has been undertaken as required by the Public Sector Internal Audit Standards as an external assessment is being completed by KPMG which will be reported to Aberdeen City Council's Audit, Risk and Scrutiny Committee.



## Audit and Performance Systems Committee

### APPENDIX A

Service	Audit Topic	Position
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#### 2016/17 Audit Work

Integration Joint Board	Health and Social Care Partnership – Post Integration Review	Draft report issued May 2017
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#### 2015/16 Audit Work completed in 2016/17

Aberdeen City Council Adult Social Work	Self-Directed Support	Complete October 2016
	Social Work Tendering Procedures	Complete April 2016

#### 2016/17 Audit Plan

Aberdeen City Council Adult Social Work	Purchasing and Creditors Procedures	Complete November 2016
	CareFirst System	Complete November 2016

NHS Grampian	Family Health Services	Final report being discussed by Chief Officers
	Health and Social Care Integration	Currently in draft form



## **Audit and Performance Systems Committee**

### **Appendix B**

#### **Internal Audit Statement relating to Aberdeen City Integration Joint Board's Internal Control System for the year ended 31 March 2017**

As Chief Internal Auditor of Aberdeen City Integration Joint Board, I am pleased to present my annual statement on the adequacy and effectiveness of the internal control system of the Council for the year ended 31 March 2017. The purpose of this statement is to assist the Chief Financial Officer in forming his opinion in relation to the annual Governance Statement to be included in the Annual Accounts.

#### **Opinion**

It is my opinion, based on the following, that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system in the year to 31 March 2017.

However, some concerns have been identified throughout the year. Recommendations graded as "major" were made in an Aberdeen City Council Internal Audit report in 2016/17 relating to Adult Social Work Purchasing and Creditors Procedures. Recommendations made regarding the issues identified were either agreed by management or the Aberdeen City Council Audit, Risk and Scrutiny sought, and were satisfied with, management assurances at Committee.

In addition, there were limitations to the scope of planned Internal Audit work in relation to Aberdeen City Council. These limitations related to not being permitted access to records held within the Care First system (with data being provided to Internal Audit by officers) and impacted on audits of Self-Directed Support and the Care First System

Whilst the above issues occurred, areas of good practice, improvement, and procedural compliance were also identified and these have been detailed in individual assignment reports.

#### **Basis of Opinion**

My evaluation of the control environment is informed by a number of sources:

- The audit work completed by Internal Audit during the year to 31 March 2017 in relation to the Integration Joint Board and relevant areas within Aberdeen City Council;



## **Audit and Performance Systems Committee**

- Progress made with implementing agreed Internal Audit recommendations;
- The assessment of risk completed during the updating of the audit plan;
- Reports issued by the Board's external auditors;
- Internal Audit's knowledge of the Board's and Aberdeen City Council's governance, risk management and performance monitoring arrangements.
- Consideration will be given to the contents of NHS Grampian's Internal Audit annual report when available.

### **Respective responsibilities of management and internal auditors in relation to internal control**

It is the responsibility of the Board's senior management to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of that system. It is the responsibility of the Chief Internal Auditor to provide an annual overall assessment of the robustness of the internal control system.

### **Sound internal controls**

The main objectives of the Board's internal control systems are to:

- ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- safeguard assets;
- ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- ensure compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Board is continually seeking to improve the effectiveness of its systems of internal control.

### **The Work of Internal Audit**

Internal Audit is an independent appraisal function established by the Board for the review of the internal control system as a service to the organisation. It



## **Audit and Performance Systems Committee**

objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

The section undertakes an annual programme of work agreed with Chief Officers and the Audit and Performance Systems Committee. The audit plan is based on a risk assessment process which is revised on an ongoing basis to reflect evolving risks and changes.

All Internal Audit reports identifying system weaknesses, non-compliance with expected controls, and / or assurance of satisfactory operation are brought to the attention of management and include appropriate recommendations and agreed action plans. It is management's responsibility to ensure that proper consideration is given to Internal Audit reports and that appropriate action is taken on audit recommendations. The Internal Auditor is required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action.

**David Hughes,  
Chief Internal Auditor,  
Aberdeen City Integration Joint Board  
21 April 2017**

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<b>Report Title</b>	Finance Update as at 31 March 2017
<b>Lead Officer</b>	Alex Stephen, Chief Finance Officer
<b>Report Author</b>	Gillian Parkin (Finance Manager)\Jimmie Dickie (Finance Business Partner)
<b>Report Number</b>	HSCP/17/060
<b>Date of Report</b>	31 March 2017
<b>Date of Meeting</b>	20 June 2017

## 1: Purpose of the Report

- i) To summarise the current year revenue budget performance for the services within the remit of the Integrated Joint Board for the period to end March 2017, and
- ii) To advise on any areas of risk and management action relating to the revenue budget performance of the Integrated Joint Board (IJB) services, and
- iii) To request approval of budget virements so that budgets are more closely aligned to anticipated income and expenditure (see Appendix E).

## 2: Summary of Key Information

### Reported position for period to end March 2017

- 2.1 An adverse position of £1,066,000 for mainstream services is reported for the year end position to the end of March 2017 (Appendix A). This is a slightly improved position on previous forecast due to favourable movements on prescribing, where less than anticipated seasonal flu costs were incurred. This overspend position will be met from slippage from the Integration and Change Funds.
- 2.2 The accumulative slippage reported for Integration and Change funds total £11,483,000. After allowing for mainstream overspend position, as mentioned above, this leaves a total carry forward reserve into 2017/18 of £10,417,000 for the IJB.



2.3 An analysis of the major variances is detailed below:

**Community Health Services (Year to date variance - £246,000 overspend)**

**Major Movements:**

(£352,000)	staff vacancies underspend
(£137,000)	property underspend
£876,000	unmet budget reductions

Within this expenditure category there is an underspend on staffing due to vacancies within almost all staffing areas. A underspend on property costs is due to lower than anticipated utility costs. These underspends have been offset by historical unmet budget reduction targets, which have been considered and funded during the 2017/18 budget setting process.

**Hosted Services (Year to date variance £341,000 overspend)**

There are overspends on the Police Forensic Service due to unfunded posts and unmet efficiency targets. Along with an overspend on medical locum costs due to the inability to recruit within Intermediate Care (which covers Care of the Elderly, Orthopaedics and Mobility and Rehabilitation Service).

This reports an adverse movement of £122,000 from previously forecasted position. This mainly relates to higher than anticipated costs within Intermediate Care and Police Forensic Service. Work is currently taking place to consider the future service model for the Police Forensic Service. With regard to Intermediate Care (which covers areas of Care of the Elderly, Orthopaedics and Mobility and Rehabilitation service) work is progressing with the budget holder to reduce these overspends in 2017/18.

**Learning Disabilities (Year end variance - £166,000 overspend)**

**Major Movements:**

£316,000	Under recovery of client contributions
(£185,000)	Staff vacancies underspend
(£185,000)	Direct payments
(£65,000)	Staff vacancies – Allied health Professionals
£260,000	Commissioned Services

Staff vacancies within Allied Health Professionals resulting in an underspend of £65,000. There is an under-recovery of client contributions £316,000 (of



which £241,000 was against residential care packages reflecting the move towards tenancies and non residential care methods of delivery) and an overspend on complex care spot purchased care packages of £260,000; partially offset by staff vacancies of £185,000 and direct payments underspend.

This reports a favourable movement of £43,000 from previously reported forecasted position. This mainly relates to lower than anticipated equipment costs £57,000 (£41,000 of which was capitalised as part of the costs of the Len Ironside Day Centre).

**Mental Health & Addictions (Year end variance - £326,000 overspend)**

**Major Movements:**

£123,000 Staffing– locum costs  
£245,000 Additional expenditure on locums

The overspend on medical locum costs is due to the inability to recruit. Mental Health currently have 2 whole time equivalent consultant vacancies and 1 whole time equivalent speciality doctor vacancy, which are all being filled by locums.

This reports a favourable movement of £16,000 from previously reported forecasted position. This mainly reflects additional spend on needs led spot purchased care.

**Older People & Physical and Sensory Disabilities (Year end variance - £298,000 underspend)**

**Major Movements:**

(£184,000) needs led commissioned budgets  
(£111,000) other income

The needs led commissioned budget reflects mainly underspends on disability direct payments £102,000 and block funded other commissioned care £76,000. The other income is mainly due to over-recovery of in-house client contributions £148,000; partially offset by under-recovery of practice teacher (someone who teaches social work to under graduates) income £37,000.

This reports an unfavourable movement of £159,000 from previously reported forecasted position. This mainly reflects revised expenditure on needs led spot purchased commissioned services of £327,000; partially



offset by additional contributions from other authorities £167,000.

**Central Living Wage/Inflation Provision etc (Year to date variance - £9,000 underspend)**

This reflects an adverse movement of £144,000 from previously reported forecasted position. This reflects adjustments to expenditure which is now shown against transformational funding.

**Housing (Year end variance £37,000 overspend)**

This reflects funding to housing general fund towards cost of Welfare Rights post.

This reports an adverse movement of £37,000 from previously reported forecasted position, which also reflects funding to housing general fund towards cost of welfare rights post

**Primary Care Prescribing (Year to date variance – £841,000 overspend)**

This position is based on actual information for April to January an accrual for February and March report. The average unit costs per item prescribed increased from £11.08 in March to £11.23 in January. The volume of items estimated for March has increased by 1.2%. This is offset in part by the estimated impact of cross border prescribing costs and seasonal flu costs which impact from September and are better than expected. Estimates for February and March are based on latest actual information resulting in the overspend position reported. This position might move if there is a material difference between the estimates and actual spend identified during the audit process.

This reports a favourable movement of £360,000 from previously reported forecasted position. This mainly relates to less than anticipated cross border prescribing and seasonal flu costs.

**Primary Care Services (Year to date variance - £460,000 underspend)**

The underspend on Primary Care Services is due to payments made to GPs for oxygen and quality and outcomes framework (QOF) being less than anticipated. There are cost pressures for local enhanced services such as diabetic care, extended hours and immunisations which are offsetting some of this underspend.

This reports a favourable movement of £344,000 from previously reported forecasted position. The improvement from forecast includes a favourable



movement as payments to the practices were lower in the final quarter. The Scottish Government will recalculate Primary Care allocations for 2017/18 taking cognisance of this and reducing the budget accordingly, therefore this reduction is a one-off.

- 2.4 The revenue budget monitoring reported in period 9 against the actual outturn shows a favourable movement of £1,267,000.

This is due to favourable movements against the highly volatile prescribing budget of £360,000 and a £344,000 favourable movement on Primary Care, as mentioned above. Also, slippage against transformational funds due to additional allocations being received in the last quarter for Mental Health Access funding £54,000, Pharmacists for GP practices £233,000 and delays in accruing expenditure for the Keep Well initiative, which will be spent in 2017/18.

- 2.5 At the IJB meeting on the 15 August agreement will be sought to ring fence some of the £10,417,000 for specific purposes. It should be noted that the vast majority of these funds are committed on a recurring basis and the carry forward of these funds in reserves is largely a timing issue.

### **3: Equalities, Financial, Workforce and Other Implications**

- 3.1 Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by budget holders and corporately by the Board. This report is part of that framework and has been produced to provide an overview of the current financial operating position.
- 3.2 Key underlying assumptions and risks concerning the forecast outturn figures are set out within Appendix B. Appendix D monitors the savings agreed by Aberdeen City Council.

### **4: Management of Risk**

**Identified risk(s):**

**Link to risk number on strategic or operational risk register:** A risk of IJB financial failure with demand outstripping available budgets.

**How might the content of this report impact or mitigate the known risks:** Good quality financial monitoring will help budget holders manage their budgets. By having timely and reliable budget monitoring any issues are identified quickly,



allowing mitigating actions to be implemented where possible.

Should there be a number of staffing vacancies then this may impact on the level of care provided to clients. This issue is monitored closely by all managers and any concerns re clinical and care governance are reported to the executive team and if necessary the clinical and care governance committee.

#### **5: Recommendations for Action**

It is recommended that the Audit & Performance Systems Committee:-

- i) note this report in relation to the IJB budget and the information on areas of risk and management action that are contained herein.
- ii) note that the Executive Team are reviewing this position in conjunction with the 2017/18 budget to determine any shortfalls or additional funds available as a result of the outturn position.
- iii) note the virements identified in Appendix E

# Appendix A – Finance Update at End March 2017

Accounting Period 12	Full Year Budget £'000	Year end Actual £'000	Year End Variance £'000	Variance %	Adjusted Year-End Forecast P9 £'000	Actual year end outturn against forecasted position £'000
Community Health Services	31,402	31,648	246	0.8%	31,629	19
Aberdeen City share of Hosted Services (health)	20,868	21,209	341	1.6%	21,087	122
Learning Disabilities	29,101	29,267	166	0.6%	29,310	(43)
Mental Health & Addictions	18,312	18,638	326	1.8%	18,654	(16)
Older People & Physical and Sensory Disabilities	70,753	70,455	(298)	(0.4%)	70,296	159
Central Living Wage/inflation provision etc	(330)	(339)	(9)	2.7%	(483)	144
Criminal Justice	(91)	(212)	(121)	133.0%	(139)	(73)
Housing	2,163	2,200	37	1.7%	2,163	37
Primary Care Prescribing	39,165	40,006	841	2.1%	40366	(360)
Primary Care	37,306	36,846	(460)	(1.2%)	37,190	(344)
Out of Area Treatments	1,222	1,219	(3)	(0.2%)	1,278	(59)
<b>Sub Total: Mainstream position</b>	<b>249,871</b>	<b>250,937</b>	<b>1,066</b>	<b>0.4%</b>	<b>251,351</b>	<b>(414)</b>
<u>Integration and Change Funds</u>						
Total funding available	14,444	2,961	(11,483)		3,814	(853)
Contribution to mainstream position (as above)			1,066			
<b>Total position including funds</b>	<b>264,315</b>	<b>253,898</b>	<b>(10,417)</b>		<b>255,165</b>	<b>(1,267)</b>



## Audit & Performance Systems Committee

### Appendix B: Summary of financial risks and mitigating action

	Risks	Mitigating Actions
<b>Community Health Services</b>	Budget savings not identified	<ul style="list-style-type: none"> <li>• Monitor levels of staffing in post compared to full budget establishment.</li> <li>• A vacancy management process is in the process of being created which will highlight recurring staffing issues to senior staff.</li> </ul>
<b>Hosted Services</b>	Potential increased activity in the activity led Forensic Service.	<ul style="list-style-type: none"> <li>• Work is being undertaken at a senior level to consider future service provision and actions that will reduce cost.</li> </ul>
<b>Learning Disabilities</b>	<p>Fluctuations due to expensive support packages being implemented.</p> <p>Increase in provider rates for specialist services.</p> <p>Underspend is dependent on vacancy levels continuing at</p>	<ul style="list-style-type: none"> <li>• Review packages to consider whether they are still meeting the needs of the clients.</li> </ul>





### Audit & Performance Systems Committee

	Risks	Mitigating Actions
	present levels.	
<b>Mental Health and Addictions</b>	<p>Increase in activity in needs led service.</p> <p>Increase in consultant vacancies resulting in inability to recruit which would increase the locum usage. Average consultant costs £12,000 per month average locum £30,000 per month.</p>	<ul style="list-style-type: none"> <li>• Work has been undertaken to review levels through using carefirst.</li> <li>• A review of locum spend is being undertaken across NHS Grampian.</li> </ul>
<b>Older people services incl. Central living wage provision</b>	<p>Balanced financial position is dependent on vacancy levels continuing at present levels and social care capacity not being available to meet need.</p> <p>Providers may not agree to implementing the living wage for the hourly rate that is affordable from Scottish Government funding</p>	<ul style="list-style-type: none"> <li>• Monitor levels of staffing in post compared to full budget establishment.</li> <li>• A vacancy management process is in the process of being created which will highlight recurring staffing issues to senior staff.</li> <li>• Review packages to consider whether they are still meeting the needs of the clients.</li> </ul>
<b>Prescribing</b>	<p>Primary Care prescribing is impacted by volume and price factors both of which are forecast on basis of available date and</p>	<ul style="list-style-type: none"> <li>• Monitoring of price and volume variances from forecast.</li> </ul>



## Audit & Performance Systems Committee

	<b>Risks</b>	<b>Mitigating Actions</b>
	evidence at start of each year by the Grampian Medicines Management Group	<ul style="list-style-type: none"><li>• Review of prescribing patterns across General Practices and follow up on outliers.</li><li>• Implementation of support tools – Scriptswitch, Scottish Therapeutic Utility.</li><li>• Poly pharmacy and repeat prescription reviews to reduce wastage and monitor patient outcomes.</li></ul>



## Audit & Performance Systems Committee

### Appendix C: Sources of Transformational funding

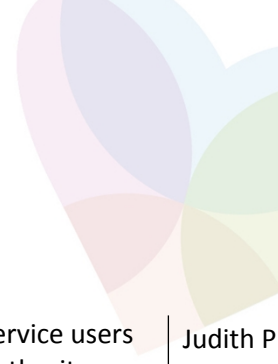
	2016/17	2015/16 c/fwd	Total
	£m	£m	£m
Integrated Care Fund	3.750	2.433	6.183
Delayed Discharge Fund	1.125	0.921	2.046
Winter resilience		0.190	0.190
Social Care transformation funding	4,750		4,750
Primary Care Transformation	0.270		0.270
Mental Health Fund	0.147		0.147
Transforming Urgent Care	0.286		0.286
MH Access/Keepwell Funding	0.572		0.572
	<b>10.90</b>	<b>3.544</b>	<b>14.444</b>



## Audit & Performance Systems Committee

### Appendix D: Progress in implementation of savings - March 2017

Area	Agreed Target	Forecast	Action	Responsible Officer
	£m	£m		
Procurement Savings	0.750	0.750	Work is continuing to make further savings from learning disabilities and mental health providers as agreed at Council. This saving needs to be taken forward in a managed manner in order to protect future service provision given the reliance on these providers.	Judith Proctor
Bon Accord Care Contract	0.700	0.700	Negotiations are continuing with Bon Accord Care (BAC). BAC have identified £430,000 of savings. £270,000 of alternative savings were identified from other budget heads.	Judith Proctor
Efficient Collection of all valid fees and charges	0.300	0.300	Income budgets have been closely monitored.	Judith Proctor
Review SDS community engagement strategy in light of the integration Agenda	0.168	0.168	The aim is to rationalise bespoke funding in learning disability services and self directed support into a single more cost effective system. £110,000 of alternative savings were identified from other budget heads.	Judith Proctor



### Audit & Performance Systems Committee

Review of current clients against ordinary residency rules.	0.150	0.150	The aim is to make sure that costs for out of authority service users accommodated within the City are met by their home authority.	Judith Proctor
Review of block funded contracts	0.150	0.150	This saving has been contained within provision for growth and price inflation.	Judith Proctor
<b>Total</b>	<b>2.218</b>	<b>2.218</b>		



## Audit & Performance Systems Committee

### Appendix E – Virements

Budget Head	Permanent	One-Off	Description
To: IJB Housing		£303,000	£231,000 additional Housing Revenue Account contribution to aids and adaptations £72,000 and additional budget for improvement grants.
From: Community Health Services		-£518,000	Pharmacy and Keep Well Funding
To: Integration and Change Funds		£518,000	Pharmacy and Keep Well Funding
To: Community Health Services		7,623	Additional Funding: Pay Award Uplift
To: Community Health Services		158	Waiting Times
To: Community Health Services		18,000	Health Visiting baby equipment funding
To: Community Health Services		48,656	Nursing resource Grp – Add HV costs being funded
To: Community Health Services		97,336	Pharmacy for Primary Care and GPs
To: Community Health Services		13,000	Physio hours from Acute
To: Community Health Services		27,000	Mental Health Innovation Fund
To: Community Health Services		40,000	Primary care – Shingles/Flu Funding
To: Community Health Services		124,000	Hosted Services – Drugs Funding etc
To: Integration and Change Fund		54,393	Mental Health Access Fund



## Audit and Performance Systems Committee

<b>Report Title</b>	Unaudited Final Accounts 2016/17
<b>Lead Officer</b>	Alex Stephen, Chief Finance Officer
<b>Report Author (Job Title, Organisation)</b>	Alex Stephen, Chief Finance Officer
<b>Report Number</b>	HSCP/17/055
<b>Date of Report</b>	30/05/2017
<b>Date of Meeting</b>	20/06/2017

### 1: Purpose of the Report

The purpose of this report is to allow the Audit & Performance Systems (APS) Committee to review and comment on the unaudited final accounts for 2016/17.

The APS Committee has provision within its Terms or Reference 'to consider and approve annual financial accounts and related matters.'

### 2: Summary of Key Information

This is the first time that a full set of accounts have been prepared for the Integration Joint Board (IJB). In 2015/16 a set of accounts were prepared, however, these were only from the 6 February 2016 to the 31 March 2016 and did not include the services provided by the Partnership which were formally delegated from the 1 April 2016.

A great deal of work has been undertaken at a national level to agree on a proposed approach to the Integration Joint Board Accounts. Even then there will be changes in format and the disclosures contained in the accounts based on local circumstances. However, the major disclosures and format is based on a template commissioned by the Scottish Government with the Chartered Institute of Public Finance and Accountancy (CIPFA).

The accounts are based the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code) and follow the format of the accounts used by local authorities as the IJB is recognised as a local government body, under Part VII of the Local Government (Scotland) Act 1973.

Given this is the first year and the external auditors (KPMG) have not reviewed the



## Audit and Performance Systems Committee

accounts before, there is a possibility that some of the disclosures and the accounts will need to be changed during the audit process.

The audit of the accounts will take place week beginning the 17 July 2017. The final audited accounts will be brought back to the APS Committee for approval at a special meeting on the 24 August 2017 (subject to approval).

The Local Authority Accounts (Scotland) Regulations 2014 defines the notice period, the inspection period, the deadline for submission of an objection to the accounts and the information which must be made available for inspection. At least 14 days' public notice must be given prior to the commencement of the inspection period. The latest date by which the public inspection can start is 30 June 2017 and therefore the latest date for issuing this public notice is 14 June 2017. The inspection must last 15 working days and will therefore end on 20 July 2017.

The accounts follow the following format:

**Management Commentary** - Explains the performance over the last financial year and highlights some of the potential risks during the next financial year.

**Remuneration Note** – contains details of the pay and pension benefits accrued by the senior officers of the IJB during 2016/17.

**Annual Governance Statement** – Highlights the Governance Framework in place and describes performance and improvements against the local code of governance. Was discussed at the last APS Committee and now contains the assurances from Aberdeen City Council, NHS Grampian and the Internal Auditors. Note it also contains an additional disclosure in relation to the Kingsmead Nursing Home.

**Financial Statements** – contains details of the financial transactions, including the Income & Expenditure Account, Balance Sheet and Movement in Reserves Statement.

**Notes to the Accounts** – including the financial policies used by the IJB over this period and the relevant disclosures required through the code.

As can be seen through the accounts at the end of the financial year the IJB has £10,417,474 in its useable reserve at the end of the financial year, which has largely been allocated by the IJB for specific integration and change projects.





## Audit and Performance Systems Committee

The IJB is required to approve its annual accounts before submitting the accounts to its partner organisations by no later the 25<sup>th</sup> of August 2017. Authority for approving the IJB's annual accounts has been delegated to the Audit and Performance Systems Committee as outlined in item 8.13 of the Committee's terms of reference. Therefore it is proposed that the Committee's scheduled meeting date of 12 September 2017 be brought forward to 2pm on 21 August 2017 to ensure that the accounts can be approved and submitted in a timely manner.

### 3: Equalities, Financial, Workforce and Other Implications

**Equalities** – There are no equalities implications arising from this report.

**Financial** – The financial implications are highlighted throughout the report and in the appendix.

**Workforce** – There are no workforce implications directly arising from this report.

### 4: Management of Risk

#### Identified risk(s) and link to strategic risk register:

- There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and project an overspend – Medium
- There is a risk that the governance arrangements between the IJB and its partner organisations (ACC and NHSG) are not robust enough to provide necessary assurance within the current assessment framework – leading to duplication of effort and poor relationships – Medium
- There is a risk of reputational damage to the IJB and its partner organisations resulting from complexity of function, delegation and delivery of services across health and social care – High
- Failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system – High



## Audit and Performance Systems Committee

**How might the content of this report impact or mitigate the known risks:** The audited accounts are an important document for the IJB, demonstrating financial performance over the year and are independently audited. Recommendations could be received from the external auditors which impact on any of the strategic risks highlighted above.

### 5: Recommendations

It is recommended that the Audit & Performance Systems Committee

- 1) Consider and comment of the Integration Joint Board's Unaudited Accounts for 2016/17
- 2) Note the revised Annual Governance Statement and assurances provided from NHS Grampian, Aberdeen City Council and the internal auditors.
- 3) Agree to bring forward the Committee's meeting date on 12 September 2017 to 21 August to ensure that the IJB annual accounts can be agreed and submitted in a timely manner to partner organisations.



Aberdeen City  
Health & Social Care  
Partnership

*A caring partnership*

**Aberdeen City  
Integration Joint Board  
Annual Accounts 2016/17**

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## **Management Commentary**

### **The Role and Remit of the Integration Joint Board (IJB)**

Aberdeen is the third largest city in Scotland and provides Scotland with 15% of its Gross Added Value. Much of this value has come from the oil and gas industry, although since the oil price reduction in 2014 the local economy has suffered. Aberdeen has a population estimated in 2014 at 228,990 and eight of its thirty seven areas are recognised as deprived in the Scottish Index of Multiple Deprivation rankings.

In terms of health and social care the demand for services continues to rise each year. The population in Aberdeen City is expected to grow by 28% by 2037 which is the largest growth of all Scottish local authority areas. The over 65s account for 15% of the total population of Aberdeen and this percentage is forecast to increase to 18% over the next 20 years.

Prior to the establishment of the Integration Joint Board the community health services were delivered by NHS Grampian (through the Community Health Partnership) and adult social care services were delivered by Aberdeen City Council through the Social Work Department.

The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal Assent in April 2014. The Act provides a framework for the integration of adult health and social care services in order to improve the quality and consistency of services to patients, carers, service users and their families; to provide seamless, joined-up quality health and social care services in order to care for people in their own homes or a homely setting where it is safe to do so; and to ensure resources are used effectively and efficiently to deliver services that meet the increasing number of people with longer term and often complex needs, many of whom are older.

Aberdeen City Council and NHS Grampian took the decision that, in order to comply with their obligations as a result of the 2014 Act, the model for integration of health and social care services in Aberdeen City would be the Body Corporate model, also known as an Integration Joint Board. Under this model, the Health Board and Local Authority delegate the responsibility for the strategic planning and delivery of health and adult social care services to the Integration Joint Board. The Aberdeen City Integration Joint Board was established by Scottish Ministers as a Body Corporate on the 6 February 2017 with full delegation of services taking effect from 1 April 2016.

The Integration Scheme defines the services that have been delegated by the Health Board and Local Authority to the Aberdeen City Integration Joint Board. The Act indicates that the delegation of some services is mandatory, while for others a discretionary approach can be taken depending on local circumstances. For some of the delegated health services it was not practical to split the services across the three integration joint boards in the Grampian area. These services are still delegated, but classed as 'hosted', which means the costs and budgets are shared based on estimated usage across the three integration joint boards. These services

are managed and led by one lead integration joint board on behalf of the other two boards. A full list of the services delegated is contained in the appendices of the Integration Scheme, along with the name of the lead integration joint board in the case of the hosted services.

The Integration Joint Board is the governing body for the delegated health and social care services. The operational delivery of these services is undertaken by the Aberdeen City Health & Social Care Partnership which is an overarching term to describe the services delegated to the Integration Joint Board and delivered by Aberdeen City Council, NHS Grampian, voluntary organisations, care providers and the third sector.

### **The IJB's Operations for the Year**

During the first full year of operation good progress has been made in terms of delivery of the strategic plan. The focus of this year has been to establish the building blocks to allow the transformation of service delivery in future years. In this regard the Integration Joint Board has

- held seven meetings over the last year, which has established the relationships and procedures required to effectively deliver the strategic plan,
- prepared and agreed its first joint budget in consultation with its two partners, Aberdeen City Council and NHS Grampian,
- established and operated two sub committees (Audit and Performance System Committee and Clinical and Care Governance Committee),
- agreed spend for several major transformation projects,
- hosted an annual conference and awards ceremony,
- established performance management and risk frameworks,
- held several workshops to inform IJB members of the services for which the IJB has strategic responsibility.
- Approved and is in the process of implementing a new operational management structure.
- In conjunction with Aberdeen City Council opened a new day care centre called the Len Ironside CBE centre.

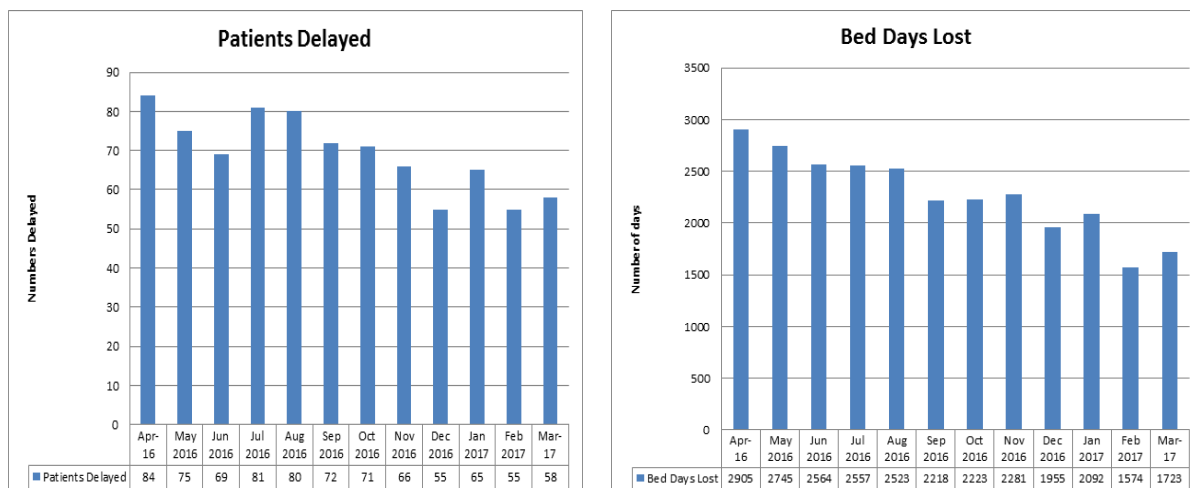
The Integration Joint Board continues to move towards delivery of the priorities indicated in the strategic plan. Significant progress has been made towards this with £9 million of spend allocated towards transformation projects during this financial year. Progress on transformation work has been slower than might have been anticipated due to the complexity in having to work through the governance systems of the three organisations (NHS Grampian, Aberdeen City Council and the Integration Joint Board).

The IJB Executive Team has been established and is making good progress in moving forward and improving service delivery, leading the organisation and supporting the Integration Joint Board in its decision making. The senior management structure below the IJB Executive Team has been established and the final posts are anticipated to be filled in the first few months of the new financial year. Once these posts are filled the scale and pace of delivery of the strategic plan will increase.

A number of the services delegated to the Integration Joint Board continue to experience difficulties recruiting staff. The payment of the Scottish living wage has helped in recruiting staff for social care services and the downturn in the oil industry has improved recruitment for some positions. However, there are still issues in recruiting staff to qualified positions such as social workers, nurses and general practitioners in the primary care setting.

One of the key aspects of the 2014 Act and strategic plan is the formation of localities in which health and social care services will be delivered. In Aberdeen City it was agreed to have four localities and a locality leadership group has been established in each area. These groups are working well and making good progress at their own speed. Four Head of Locality posts have been established to support the delivery of locality working and these posts are in the process of being recruited to. Work is taking place to align staffing structures into the four localities.

The Integration Joint Board has been working hard to reduce the number of Aberdeen City residents who are ready to be sent home from hospital, but have been delayed from doing so. The term commonly used for these individuals is a “delayed discharge”, and individuals can be delayed for varied reasons, ranging from social care provision through to issues with equipment, adaptations and even transport. The City Partnership has presided over a notable improvement in respect of both the numbers of individuals delayed in hospital, alongside the overall bed days lost to delayed discharges. This can be seen from the performance information below:



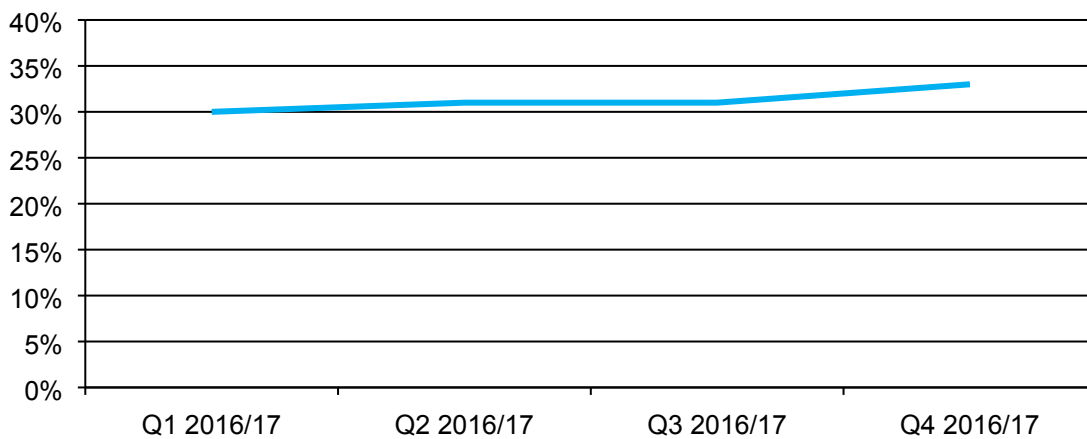
**NOTE: The Scottish Government changed the definitions related to counting individual delayed discharges in July 2016. As a result direct comparisons cannot be made between pre and post July 2016 data.**

The Integration Joint Board has received budget monitoring reports each quarter as defined in the integration scheme. The Audit and Performance Systems Committee

has also been reviewing the budget monitoring information on a regular basis. The outturn for the financial year against the forecast position reported for December is shown below.

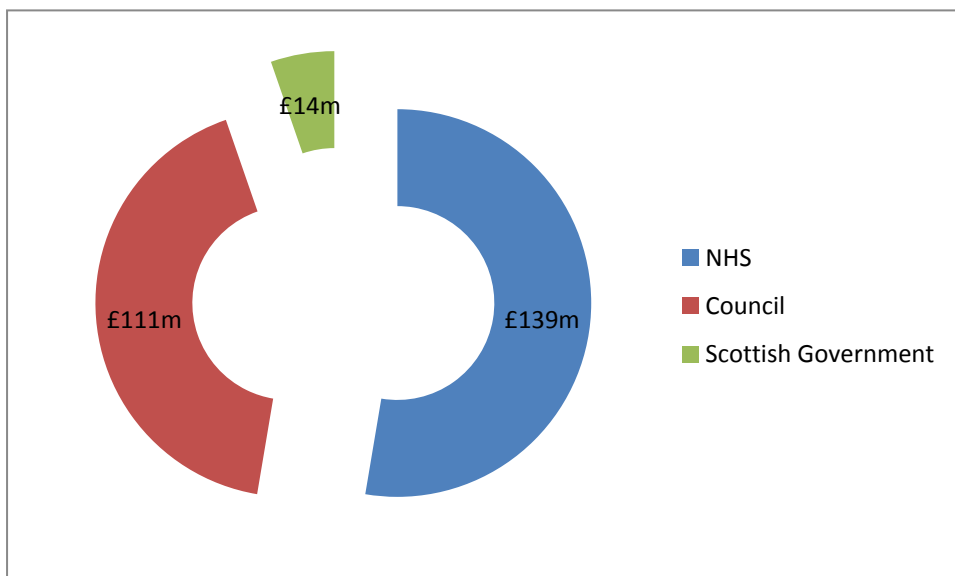
<b>Budget</b>	<b>Forecast 31 December 2016 £'000</b>	<b>Outturn 31 March 2017 £'000</b>
Mainstream	1,480 over	1,068 over
Integration and Change Fund	10,630 under	11,485 under
<b>Total</b>	<b>9,150 under</b>	<b>10,417 under</b>

One of the key priorities of the strategic plan is keeping people at home and the following graph shows the percentage of people 65 and over with intensive care needs receiving care at home.



### The IJB's Position at 31 March 2017

The resources available to the Integration Joint Board to deliver services and its strategic plan during the financial year are as follows to the nearest £million:





The accounts for the year show a usable reserves position of £10,417,474. This is largely due to additional funding from the Scottish Government which the Integration Joint Board is using on integration and change projects. A significant element of these funds have been committed to be used in 2017/18 and the underspend is a timing issue while these projects progress through the established governance processes of the partner organisations. The Integration Joint Board agreed a reserves strategy and during the 2017/18 budget process agreed to hold back as earmarked reserves £2.5 million as a risk fund and £500,000 to replace equipment.

The majority of public sector organisations are facing challenges balancing their budgets in a context of increasing demand and costs, while the funding available is reducing in real terms. The 2017/18 budget was agreed on 7 March 2017 and included £5 million of budget savings.

The major risk in terms of funding to the Integration Joint Board is the level of funding delegated from the Council and NHS and whether this is sufficient to sustain future service delivery. There is also a risk of additional funding being ring fenced for specific Government priorities and policies, which means new projects and initiatives at a time where financial pressure is being faced on mainstream budgets.

The Scottish Government has committed to paying the Scottish Living Wage. This commitment has been followed in 2016/17 and 2017/18 with additional funding. Should additional funding not be available in future years it will be difficult for the Integration Joint Board to fund any future increases in the Scottish Living Wage given the financial pressures being experienced across its services.

Demand is expected to continue to rise given the increase in the number of over 65s forecast. At the same time the complexity of the care required is increasing due to improvements in medicine and the increased average life expectancy evidenced over the last few decades. Also, there are greater expectations being placed on our services by clients and this along with expectations from the Scottish Government continue to drive performance on targets such as waiting times.

The implementation of the carers' strategy in 2018/19 will expose the Integration Joint Board to financial risk, as although additional resources will be provided and the calculation of the adequacy of these resources has been assessed through a comprehensive process at a national level, there are still concerns over the potential level of spend. In particular the demand for these services, whilst influenced by the local eligibility criteria, may be difficult to predict and manage.

### **The IJB's Strategy and Business Model**

The IJB's Strategic Plan for 2016-19 sets out how the National Health and Wellbeing Outcomes will be achieved. To achieve our desired outcomes, the strategic priorities for the next three years are:

- Develop a consistent person centred approach that promotes and protects the human rights of every individual and which enable our citizens to have opportunities to maintain their wellbeing and take a full and active role in their local community.

- Support and improve the health, wellbeing and quality of life of our local population.
- Promote and support self-management and independence for individuals for as long as reasonably possible.
- Value and support those who are unpaid carers to become equal partners in the planning and delivery of services, to look after their own health and to have a quality of life outside the caring role if so desired.
- Contribute to a reduction in health inequalities and the inequalities in the wider social conditions that affect our health and wellbeing.
- Strengthen existing community assets and resources that can help local people with their needs as they perceive them and make it easier for people to contribute to helping others in their communities.
- Support staff to deliver high quality services that have a positive impact on personal experiences and outcomes.

During the 2017/18 budget process the IJB agreed to six priorities to be delivered by the end of the financial year in terms of its integration and change programme. These priority projects are documented below:

- Develop business case for acute care @ home,
- Establish link workers in city,
- Localities shadow operation\notional budgets,
- Continue work on carers' strategy,
- Develop commissioning strategy and move forward market facilitation,
- Testing the buurtzorg model.

The IJB strategic plan will be updated during 2018/19 picking up on the trends and cost pressures identified in the two years of operation. In a similar method to the creation of the current strategic plan, an extensive consultation process will be undertaken with interested and affected groups.

The Integration Joint Board provides strategic direction to the partners (Aberdeen City Council and NHS Grampian) by approving formal directions to the partner organisations on the changes that it would like made to operational service delivery in order to achieve the priorities included in the strategic plan.

The directions are then passed to the Chief Executives of the partner organisations who in turn pass these onto to officers for implementation.

### **Key Risks and Uncertainties**

The key strategic risks along with an assessment of level of risk facing the IJB are as indicated below:

- There is a risk of significant market failure in Aberdeen City – High
- There is a risk of financial failure , that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and project an overspend – Medium

- Failure of the IJB to function, make decisions in a timely manner etc – Medium
- There is a risk that the outcomes expected from hosted services are not delivered and that the IJB does not identify non-performance in through its systems. This risk relates to services that Aberdeen IJB hosts on behalf of Moray and Aberdeenshire, and those hosted by those IJBs and delivered on behalf of Aberdeen City. – Medium
- There is a risk that the governance arrangements between the IJB and its partner organisations (ACC and NHSG) are not robust enough to provide necessary assurance within the current assessment framework – leading to duplication of effort and poor relationships – Medium
- There is a risk that services provided by ACC and NHS corporate services on behalf of the IJB do not have the capacity, are not able to work at the pace of the IJB's ambitions, or do not perform their function as required by the IJB to enable it to fulfil its functions - High
- There is a risk that the IJB and the services that it directs and has operational oversight of fail to meet performance standards or outcomes as set by regulatory bodies - Medium
- There is a risk of reputational damage to the IJB and its partner organisations resulting from complexity of function, delegation and delivery of services across health and social care - High
- Failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system – High
- There is a risk that the IJB does not maximise the opportunities offered by locality working – Medium

These risks are monitored and updated frequently by the IJB Executive Team, who in-turn report to the IJB and Audit and Performance Systems Committee on a regular basis.

### **Analysis of the Financial Statements**

The accounts show a usable reserve of £10,417,474 at 31 March 2017. This is largely due to unspent integration and change funds provided by the Scottish Government. This level of reserve had largely been anticipated throughout the year and is a result of the transformation programme taking time to make its way through the various governance processes.

The prescribing budget was overspent by £841,000 at the end of the financial year. As with the underspend on the integration and change funds this had been forecast throughout the financial year. The reason for the overspend on prescribing is an increase in both the cost of the drugs and volumes prescribed. A Local Enhanced Service direction was issued to NHS Grampian during the financial year in an attempt to reduce the level of spend. The level of overspend has reduced at the yearend from the overspend position of £1,201,000 forecast in December 2016.

The 2015/16 comparator figures included in the accounts relate to the period of the 6 February 2016 to 31 March 2016 and therefore don't reflect a full year of spend on the delegated budgets.

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**Jonathan Passmore**  
IJB Chair



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**Judith Proctor**  
Chief Officer



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**Alex Stephen**  
Chief Finance Officer



## **Statement of Responsibilities**

### **Responsibilities of the Integration Joint Board**

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the chief financial officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003).
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature.

Signed on behalf of the Aberdeen City Integration Joint Board

**Jonathan Passmore**  
IJB Chair

## **Responsibilities of the Chief Financial Officer**

The chief financial officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the chief financial officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the local authority Code (in so far as it is compatible with legislation)

The chief financial officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the financial statements give a true and fair view of the financial position of the Aberdeen City Integration Joint Board as at 31 March 2017 and the transactions for the year then ended.

**Alex Stephen**  
Chief Finance Officer

## Remuneration Report

### Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

### Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by Aberdeen City Council and NHS Grampian. The positions of IJB Chair and Vice Chair alternate between a Councillor and a Health Board representative every two years.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. The details of the Chair and Vice Chair appointments and any taxable expenses paid by the IJB are shown below.

<b>Taxable Expenses 2015/16 £</b>	<b>Name</b>	<b>Post(s) Held</b>	<b>Nominated by</b>	<b>Taxable Expenses 2016/17 £</b>
Nil	Jonathan Passmore	Chair January 2017 to March 2017 Vice Chair April 2016 to December 2017	NHS Grampian	Nil
Nil	Cllr Len Ironside CBE	Chair April 2016 to December 2016 Vice Chair January 2017 to March 2017	Aberdeen City Council	Nil
<b>Nil</b>	<b>Total</b>			<b>Nil</b>

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore no pension rights disclosures are provided for the Chair or Vice Chair.

### Remuneration: Officers of the IJB

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Board.

#### Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

#### Other Officers

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

<b>Total 2015/16 £</b>	<b>Senior Employees</b>	<b>Salary, Fees &amp; Allowances £</b>	<b>Taxable Expenses £</b>	<b>Total 2016/17 £</b>
15,712 (FYE 104,934)	<b>Judith Proctor</b> Chief Officer February 2016 to March 2017	108,429	317	108,746
Nil	<b>Alex Stephen</b> Chief Finance Officer July 2016- March 2017	50,544 (68,124)	nil	50,544
<b>15,712</b>	<b>Total</b>	<b>158,973</b>	<b>317</b>	<b>159,290</b>

FYE = Full Year Equivalent

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued



pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/16 £	For Year to 31/03/17 £		Difference from 31/03/16 £000	As at 31/03/17 £000
<b>Judith Proctor</b>	2,111	16,191	Pension	2	30
Chief Officer February 2016 to March 2017			Lump sum	3	80
<b>Alex Stephen</b>	Nil	9,755	Pension	0	20
Chief Finance Officer July 2016- March 2017			Lump sum	0	31
<b>Total</b>	<b>2,111</b>	<b>25,946</b>	<b>Pension</b>	<b>2</b>	<b>50</b>
			<b>Lump Sum</b>	<b>3</b>	<b>111</b>

The IJB does not have its own pension scheme, however, details of the North East of Scotland Pension scheme can be found in Aberdeen City Council's accounts and details of the NHS pension scheme can be found NHS Grampian's accounts. Both documents are available on their respective websites.

### Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band 2015/16	Remuneration Band	Number of Employees in Band 2016/17
0	£50,000 - £54,999	1
0	£105,000 - £109,999	1

### Exit Packages

No exit packages were paid to IJB staff during this period or the previous period.

**Jonathan Passmore**  
IJB Chair

**Judith Proctor**  
Chief Officer

## **Annual Governance Statement**

### **Scope of Responsibility**

The Integration Joint Board (IJB) is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, safeguarding public funds and assets and making arrangements to secure best value in their use.

In discharging this responsibility, the Chief Officer has put in place arrangements for governance which includes the system of internal control. This is designed to manage risk to a reasonable level, but cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

The IJB has a reliance on the Aberdeen City Council and NHS Grampian's systems of internal control, which support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

The result of this is a situation where assurances are required on the effectiveness of the governance arrangements from the three partners. This means that a significant failure in the internal control environment of one of the three partners may require to be disclosed in the accounts of all three partners and not just the IJB and the partner where the issue occurred.

### **The Governance Framework**

In this complex environment of circular assurances it is important that the IJB has its own local code of corporate governance and regularly reviews performance against the governance principles included within this code. The IJB has developed an Assurance Framework in conjunction with the Good Governance Institute which provides readers with an understanding of the governance framework and the assurances that can be obtained from it.

The IJB agreed on the 11 April 2017 at the Audit & Performance Systems Committee to adopt a local code of corporate governance which was built around the principles identified in the 'CIPFA\SOLACE<sup>1</sup> Delivering good governance in Local Government Framework (2016 Edition)'. This code provides a list of documents from an IJB, NHS Grampian and Aberdeen City Council perspective which also provides assurance on the governance framework.

To provide further assurance about the governance environment and as requested by Audit Scotland, the IJB's external auditors for the financial year 2015/16, a review has also been undertaken against the governance principles detailed in the CIPFA document titled the 'the role of the chief financial officer in local government'. This review was discussed and noted at a meeting of the Audit & Performance Systems Committee in April.

Whilst both these documents were specifically written for Local Government the governance principles can be used by other public sector organisations. Also, the IJB is defined as a local government organisation per the Local Government

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<sup>1</sup> CIPFA - The Chartered Institute of Public Finance and Accountancy

SOLACE – The Society of Local Authority Chief Executives

(Scotland) Act 1973 and Aberdeen City Council have also adopted the governance principles from the delivering good governance document in their own local code of corporate governance.

Against each of the seven governance principles adopted by the IJB there are key documents, policies and arrangements which help address these. For the IJB some of these documents belong to NHS Grampian and Aberdeen City Council given their operational delivery role and the fact that the staff have remained employed by the partner bodies.

The seven governance principles identified in the local code of corporate governance and recommended in the CIPFA\SOLACE Framework are identified below, along with narratives evidencing compliance with the principles.

**Principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values and representing the rule of law,**

*Integrity:* The following values of the IJB are indicated in the strategic plan:

- Caring
- Person Centred
- Enabling

These values form part of the decision making process of the IJB and are evident in the actions and decisions made by the Board. The IJB has appointed a Standards Officer who is responsible, amongst other things, for the maintaining of Registers of Interests, Registers of Gifts and Hospitality and training on the Model Code of Conduct for Members of Devolved Public Bodies.

*Ethical Values:* Over the course of this financial year the IJB has agreed in principle to adopt the Unison Ethical Care Charter and has provided funding to care providers to allow the Scottish Living Wage to be paid.

*Rule of Law:* A comprehensive consultation process has been developed with officers from Aberdeen City Council and NHS Grampian to ensure that decisions and reports comply with legislation. A member of the Council's Governance Team attends the IJB to ensure that decisions taken are in line with any legislative requirements. The IJB have appointed a Chief Finance Officer to ensure that the accounts and finances are in line with the statutory accounting environment. The IJB has standing orders and an integration scheme which provide information on where decisions can be made. Two sub committees have been created and each have their own terms of reference.

*Future Developments:* The IJB report format needs to be modified to demonstrate more clearly the links to the IJB values and the strategic priorities. A review of the standing orders and integration scheme is progressing with support from colleagues in the Council's Governance Team.

## **Principle 2 – Ensuring openness and comprehensive stakeholder engagement,**

*Openness:* The IJB has moved from a transitional leadership group held in private to a public board where members of the public can attend and agendas, reports and minutes are available to review. Therefore, members of the public can assess whether they believe that decisions are being taken in the public interest. The Audit & Performance Systems Committee recently reviewed its terms of reference and is now also a public meeting.

*Stakeholder Engagement:* The non-voting membership of the IJB is set out in the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. This comprises six professional members and a minimum of 4 stakeholder representatives for each of the following groups - staff, third sector bodies, service users and carers. The IJB agreed a budget protocol on the 7 March which sought to formalise stakeholder engagement with the partner organisations around the budget process. A number of workshops have been held during the year, particularly around primary care and development of a carers' strategy. Care providers are very much thought of as a key part of the partnership and invited to the majority of the events the IJB hosts. The IJB has established the Aberdeen City Joint Staff Forum, which includes representation from the trade unions and the staff partnership, as a forum for workforce issues affecting social care and health staff.

*Future Developments:* develop a communications protocol which explains when, where and how the IJB will communicate with stakeholders.

## **Principle 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits,**

*Economic:* The IJB has an agreed budget for both 2016-17 and 2017-18. Indicative figures of the level of financial need over the next five financial years were also discussed and agreed at the IJB. The transformation programme and IJB report format specifically highlight the economic impact of the decisions being taken on current and future financial years.

*Social:* The IJB has published a strategic plan which identifies outcomes and the direction of travel over the next few years. The majority of outcomes are closely linked to how social care and health services will be delivered and improved over the life of the strategic plan.

## **4 - Determining the interventions necessary to optimise the achievement of intended outcomes,**

*Interventions:* A transformation programme has been developed focussing on six big ticket items which will help support the delivery of the strategic plan. These six big ticket items are monitored on a regular basis and information on progress is received by the Integration Joint Board and the Audit & Performance Systems Committee for scrutiny and challenge. Decisions to procure services costing over £50,000 are taken by the Integration Joint Board in so far as it relates to a Direction made to the NHs or Aberdeen City Council in respect of a delegated function and each report contains a section on risk. The Transformation Board monitors any new projects

ensuring that an optional appraisal and project plan is developed in line with best practice. The benefits, both financial and non-financial, are highlighted and contained in the project plans.

## **5 – Developing the entity’s capacity, including the capability of its leadership and the individuals within it,**

*Entity’s Capacity:* A workforce plan has been developed for the IJB covering health and social care services. Capacity is further developed and scrutinised by having stakeholders out with those employed by the IJB, ACC or NHS Grampian around the IJB and many of its working groups. The Executive Team have started the Aston Team Journey programme with the intention of rolling this out across the partnership.

*Leadership:* The IJB has set itself goals and has recently evaluated their performance after one year of operation against these goals. A structure review has recently been completed and individuals are currently being recruited to these key posts. An organisational development plan has been developed and agreed which has a focus on leadership. A conference was held by the partnership during the year focussing on social care and health which was attended by senior officers.

*Individuals:* An induction programme has been established for the IJB which complements the induction programmes of NHS Grampian and Aberdeen City Council. Monthly newsletters are sent to all staff and an awards ceremony was held to celebrate achievements during the year. Staff surveys have been undertaken for Council staff and the ‘imatter’ survey is being completed by all partnership staff. The outputs from these surveys are discussed by the IJB Executive Team and any necessary improvement actions implemented.

*Future Developments:* The IJB Executive Team have committed to shadowing staff at all levels in the organisation and holding a quarterly leadership event for third and fourth tier managers during 2017/18.

## **6 - Managing risk and performance through robust internal control and strong public financial management,**

*Risk:* Two risk registers have been developed. The first is an IJB strategic risk register and this documents the risk that the IJB may face in delivery of the strategic plan. The second register covers operational risks and is a summary of the departmental operational risk registers. Both the operational and strategic risk register are updated frequently and reported to the Audit & Performance Systems Committee at least quarterly.

*Performance:* A performance management framework has been developed for the IJB and is reported frequently to the Audit & Performance Systems Committee and the IJB. Performance is also monitored by bi-monthly city sector performance review meetings, where the Chief Executives and senior finance officers from NHS Grampian and Aberdeen City Council discuss performance and finance in a structured meeting with the Chief Officer and Chief Finance Officer. Performance management information is provided at a national NHS level and also contained within the statutory performance indicators reported by the Council. An annual

performance report is required as defined in the legislation (Public Bodies (Joint Working) (Scotland) Act 2014) underpinning the creation of the IJB.

*Internal Controls:* The internal control environment is largely delivered by the partner organisations given their operational remit. However, internal controls are evidenced in the IJB integration scheme and financial regulations. A review of the IJB internal controls is undertaken annually by the Chief Internal Auditors and his opinion on the adequacy of the internal control environment is highlighted below.

*Financial Management:* The IJB has received quarterly reports on the financial position as indicated in the integration scheme. The IJB financial position has remained largely static during the financial year, in which the only material adverse movement being on the prescribing budget. The IJB agreed a balanced budget for 2017/18 on 7 March, which contained information on budget pressures, budget reductions and an indicative budget position for the next five financial years. All IJB reports contain a financial implications section advising the IJB on the budget implications of agreeing the recommendations of the report.

## **7 – Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**

*Transparency:* The IJB meetings are held in public and the agendas, reports and minutes are available for the public to inspect. Public attendance is welcome at the IJB meetings. The Audit & Performance Systems committee has recently reviewed its terms of reference and agreed that meetings should now be held in public. The IJB has developed a publication scheme as required under the Freedom of Information (Scotland) Act 2002.

*Reporting:* The annual accounts management commentary section will have a focus on both financial and service performance over the last financial year.

*Audit:* The 2015/16 accounts received an unmodified audit certificate. The Audit & Performance Systems Committee has received an internal audit plan from the Chief Internal Auditor and five internal audit reports over the last financial year. A joint inspection of adult services and health care services for Aberdeen City was published by the Care Inspectorate during the year and reported to both the IJB and Clinical & Care Governance Committee. Of the nine quality indicators used in the report, Aberdeen City was graded as follows: one very good, two good, five adequate and one weak. An action plan was developed to address the recommendations of the report.

*Future Developments:* Improvement plans are in the process of being developed and these will be influenced by the performance management framework.

### **Review of Effectiveness**

The IJB has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements, including the system of internal control. The review is informed by the work of the IJB Executive Team (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditors and the Chief Internal Auditor's annual report, and reports from external auditors and other review agencies and inspectorates.

The Chief Internal Auditor has reviewed the IJB's internal control framework and in his opinion reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system in the year to 31 March 2017.

However, some significant concerns have been identified throughout the year. Recommendations graded as "major" were made in an Aberdeen City Council Internal Audit report in 2016/17 relating to Adult Social Work Purchasing and Creditors Procedures. Recommendations made regarding the issues identified were either agreed by management or the Aberdeen City Council Audit, Risk and Scrutiny sought, and were satisfied with, management assurances at Committee.

In addition, there were limitations to the scope of planned Internal Audit work in relation to Aberdeen City Council. These limitations related to not being permitted access to records held within the Care First system (with data being provided to Internal Audit by officers) and impacted on audits of Self-Directed Support and the Care First System

Whilst the above issues occurred, areas of good practice, improvement, and procedural compliance were also identified and these have been detailed in individual assignment reports.

The external auditor's annual report had one formal recommendation for the Executive Team about establishing a performance management framework. This recommendation is now closed as the framework is operating and established.

On the 1 April 2017, Aberdeen City Council assumed responsibility for the operation of Kingsmead Nursing Home on a temporary basis, pending determination as to how services to meet the needs of the residents may best be provided in the future. Whilst the safe operation of the home has been secured in the short term, further work will be required to determine the best solution going forward, and to address any governance issues identified following a review of contract management and service delivery processes.

The governance framework was reviewed by the Executive Team against the governance principles identified in the CIPFA Role of the Chief Finance Officer Framework. The results of this review were also discussed and noted by the Audit & Performance Systems Committee.

The local code of corporate governance was agreed by the Audit & Performance Systems Committee on the 11 April 2017 and progress against the seven principles is detailed above. It is recognised that the IJB's governance framework is evolving as it matures and that future development work is required to provide further assurance against the governance principles. Therefore, these future developments will be developed into an action plan which will be monitored by the Audit & Performance Systems Committee, along with a more structured process for reviewing effectiveness in future years.

	<b>Area for Improvement and Outcome to Be Achieved</b>	<b>Improvement Action Agreed</b>	<b>Responsible Party</b>	<b>Completion Date</b>
1.	Demonstrate links to Strategic Plan.	Review report format to establish clearer links	Chief Finance Officer	31 March 2018
2.	Standing Orders and integration scheme	Review standing orders and integration scheme	ACC Legal and Democratic Services	31 March 2018
3.	Define clear expectations on how and when the IJB will consult.	Create communications protocol	Communications Partner	31 March 2018
4.	Improvement planning	Develop service improvement plans	Chief Officer	31 March 2018

In addition, the review of the effectiveness of the governance arrangements and systems of internal control within Aberdeen City Council and NHS Grampian places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

Accordingly the following notes support the reliance that is placed upon those systems:

**i) Aberdeen City Council's governance framework**

Aberdeen City Council's governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives as set out in the Strategic Business Plan 2017/18, where the role of governance, performance management and risk management are recognised as crucial in improving stewardship and how we do business. Reviewing our governance activity enables us to consider whether those objectives have led to the delivery of appropriate, cost effective services to the citizens of Aberdeen.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The Audit, Risk and Scrutiny Committee has a key role in this and an annual report of its activities will be approved by the committee and referred to Council for its consideration. This demonstrates the Council's governance arrangements through improved transparency, understanding and challenge of the activity and outcomes from the Audit, Risk & Scrutiny Committee.

The Council has an approved Local Code of Corporate Governance which sets out our commitment to the seven principles recommended in the CIPFA / SOLACE Framework 2016, by citing the primary sources of assurance which demonstrate the



effectiveness of our systems of internal control. The revised Code, approved by Council on 15<sup>th</sup> March 2017, can be viewed at:

<https://committees.aberdeencity.gov.uk/documents/s67547/LocalCodeofCorporateGovernance.pdf>

In summary the Council has undertaken a self-evaluation of its Local Code of Corporate Governance and determined that there is strong compliance with the Code and that governance processes, procedures, performance reporting and engagement material are well managed by the organisation. The Council has a clear approach to the decision-making process and seeks to engage with those in the community and with partners and staff.

**The Chief Executive and Leader of the Council have certified that reasonable assurance can be placed upon the adequacy and effectiveness of Aberdeen City Council's systems of governance and that the annual review demonstrates sufficient evidence that the Code of Corporate Governance operates effectively. Furthermore, the Council proposes over the coming year to take steps to further enhance governance arrangements and are satisfied that these steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation as part of the next annual review.**

#### **ii) NHS Grampian governance framework**

NHS Grampian is required to operate within the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health Directorates as being applicable to NHS Boards. The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

As Accountable Officer, the Chief Executive is responsible for maintaining an adequate and effective system of internal control that identifies, prioritises and manages the principal risks facing the organisation, promotes achievement of the organisation's aims and objectives and supports compliance with the organisation's policies and safeguarding public funds.

The Board continually monitors and reviews the effectiveness of the system of internal control with a specific focus on the delivery of safe and effective patient care, achievement of national and local targets and demonstrating best value and the efficient use of resources. Key elements of the system of internal control include:

- Executive and senior managers who are required to develop, implement and maintain adequate internal controls across their areas of responsibility;
- The work of the internal auditor, who submit to the Audit Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, internal control and governance processes;

- Management letters and other reports issued by external audit;
- Financial plans, service plans and related organisational performance and risk management reports presented to the Board and relevant governance committees;
- Reports relating to the recent reviews carried out by Health Improvement Scotland and other inspection agencies; and
- Transparent assumptions regarding the timing of investment to deliver a significant reduction in high risk backlog maintenance in clinical areas agreed by the Scottish Government Health and Social Care Directorates as part of the Board's Asset Management Plan.
- Annual statements of assurance from each of the core governance committees of the Board, including the Endowment Committee with respect to the governance arrangements that exist for the NHS Grampian Endowment Funds charity which is consolidated with the main Board accounts;
- Written confirmation from executive and senior managers that controls within their individual areas of responsibility are adequate and have been operating effectively throughout the year;
- During the year, minutes of the meetings of the core governance committees were provided to all Board members.
- Consideration of the governance statement and its disclosures by Internal Audit, the Audit Committee and Board members;

**Based on the evidence considered during the review of the effectiveness of the internal control environment operating within NHS Grampian, the Chief Executive has confirmed that he is not aware of any outstanding significant control weaknesses or other failures to achieve the standards set out in the guidance that applies to NHS Boards in relation to governance, risk management and internal control.**

#### **Certification**

**Subject to the above, and on the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and action plans are in place to identify areas for improvement. It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Aberdeen City Integration Joint Board's systems of governance.**

.....  
Judith Proctor  
Chief Officer

.....  
Jonathan Passmore  
Chair

## Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices.

	2015/16			2016/17		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£	£	£		£	£	£
0	0	0	Community Health Services	31,649,313	0	31,649,313
0	0	0	Aberdeen City share of Hosted Services (health)	21,207,851	0	21,207,851
0	0	0	Learning Disabilities	29,264,461	0	29,264,461
0	0	0	Mental Health & Addictions	18,304,741	0	18,304,741
0	0	0	Older People & Physical and Sensory Disabilities	69,719,818	0	69,719,818
26,809	(26,809)	0	Head office/Admin	1,007,021	(170,013)	837,008
0	0	0	Criminal Justice	4,413,345	(4,624,593)	(211,248)
0	0	0	Housing	2,197,288	0	2,197,288
0	0	0	Primary Care Prescribing	40,005,916	0	40,005,916
0	0	0	Primary Care	36,846,589	0	36,846,589
0	0	0	Out of Area Treatments	1,219,506	0	1,219,506
0	0	0	Set Aside Services	46,732,000	0	46,732,000
0	0	0	Transformation	2,856,283	0	2,856,283
<b>26,809</b>	<b>(26,809)</b>	<b>0</b>	<b>Cost of Services</b>	<b>305,424,132</b>	<b>(4,794,606)</b>	<b>300,629,526</b>
0	0	0	Taxation and Non-Specific Grant Income (Note 5)	0	(311,047,000)	(311,047,000)
<b>26,809</b>	<b>(26,809)</b>	<b>0</b>	<b>Surplus or Deficit on Provision of Services</b>	<b>305,424,132</b>	<b>(315,841,606)</b>	<b>(10,417,474)</b>
		<b>0</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(10,417,474)</b>

*\*The IJB was established on 6 February 2016. Integrated delivery of health and care services did not commence until 01 April 2016. Consequently the 2016/17 financial year is the first fully operational financial year for the IJB and the figures above reflect this.*

*There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently an Expenditure and Funding Analysis is not provided in these annual accounts.*

### Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

<b>Movements in Reserves During 2016/17</b>	General Fund Balance £	Total Reserves £
<b>Opening Balance at 31 March 2016</b>	<b>0</b>	<b>0</b>
Total Comprehensive Income and Expenditure	(10,417,474)	(10,417,474)
Adjustments between accounting basis and funding basis under regulations(*)	0	0
Increase or Decrease in 2016/17	<b>(10,417,474)</b>	<b>(10,417,474)</b>
<b>Closing Balance at 31 March 2017</b>	<b>(10,417,474)</b>	<b>(10,417,474)</b>

<b>Movements in Reserves During 2015/16</b>	General Fund Balance £	Total Reserves £
<b>Opening Balance at 6 February 2016</b>	<b>0</b>	<b>0</b>
Total Comprehensive Income and Expenditure	0	0
Adjustments between accounting basis and funding basis under regulations (*)	0	0
Increase or Decrease in 2015/16	<b>0</b>	<b>0</b>
<b>Closing Balance at 31 March 2016</b>	<b>0</b>	<b>0</b>

### Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

<b>31-Mar 2016</b>		<b>Notes</b>	<b>31-Mar 2017</b>
£			£
5,000	Short term Debtors	(6)	10,417,474
<b>5,000</b>	<b>Current Assets</b>		<b>10,417,474</b>
(5,000)	Short-term Creditors		0
<b>(5,000)</b>	<b>Current Liabilities</b>		<b>0</b>
0	Provisions		0
<b>0</b>	<b>Long-term Liabilities</b>		<b>0</b>
<b>0</b>	<b>Net Assets</b>		<b>10,417,474</b>
	Usable Reserve:		
0	General Fund		(10,417,474)
0	Unusable Reserve:		0
<b>0</b>	<b>Total Reserves</b>		<b>(10,417,474)</b>

The unaudited accounts were issued on 30 June 2017

**Alex Stephen**  
Chief Finance Officer

Usable reserves may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable Reserves includes reserves relating to statutory adjustments as shown in the Movement in Reserves Statement.

## **Notes to the Financial Statements**

### **1. Significant Accounting Policies**

#### General Principles

The Financial Statements summarises the authority's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

#### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down

#### Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, Aberdeen City Council and NHS Grampian. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Aberdeen City.

### Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

### Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken. In the case of Aberdeen City IJB any annual leave earned but not yet taken is not considered to be material.

### Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet, but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

### Reserves

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision.

### Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. The NHS Grampian and Aberdeen City Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any ‘shared risk’ exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration, is provided for in the IJB’s Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

## **2. Critical Judgements and Estimation Uncertainty**

The Financial Statements include some estimated figures. Estimates are made taking into account the best available information, however actual results could be materially different from the assumptions and estimates used. The key items in this respect are listed below.

### Provisions

No financial provision for any future events has been made by the IJB in this accounting period.

## **3. Events After the Reporting Period**

The Annual Accounts were authorised for issue by the Chief Finance Officer on 20 September 2017. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2017, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.



#### 4. Expenditure and Income Analysis by Nature

2015/16	2016/17
£	£
0 Services commissioned from Aberdeen City Council	117,050,344
0 Services commissioned from NHS Grampian	188,347,788
0 Employee Benefits Expenditure	0
0 Other IJB Operating Expenditure	0
0 Insurance and Related Expenditure	0
5,000 Auditor Fee: External Audit Work	26,000
0 Auditor Fee: Other Work	0
0 Service Income: Aberdeen City Council	(4,794,606)
0 Service Income: NHS Grampian	0
0 Partners Funding Contributions and Non-Specific Grant Income	(311,047,000)
<hr/>	
<b>5,000 Surplus or Deficit on the Provision of Services</b>	<b>(10,417,474)</b>

#### 5. Taxation and Non-Specific Grant Income

2015/16	2016/17
£	£
0 Funding Contribution from Aberdeen City Council	(88,463,000)
0 Funding Contribution from NHS Grampian	(222,584,000)
0 Other Non-ring fenced grants and contributions	0
<hr/>	
<b>0 Taxation and Non-specific Grant Income</b>	<b>(311,047,000)</b>

The funding contribution from the NHS Board shown above includes £46,732,000 in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

## 6. Debtors

31-Mar-16		31-Mar-17
£		£
0	NHS Grampian	5,644,089
0	Aberdeen City Council	4,773,385
<b>0 Debtors</b>		<b>10,417,474</b>

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

## 7. Usable Reserve: General Fund

The IJB holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general contingency.

2015/16				2016/17			
Balance at 1 April 2015	Transfers In	Transfers Out	Balance at 31 March 2016		Transfers In	Transfers Out	Balance at 31 March 2017
£	£	£	£		£	£	£
0	0	0	0	Equipment	0	(500,000)	(500,000)
0	0	0	0	Integration & Change	0	(7,417,474)	(7,417,474)
0	0	0	0	Total Earmarked	0	(7,917,474)	(7,917,474)
0	0	0	0	Risk Fund	0	(2,500,000)	(2,500,000)
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>General Fund</b>	<b>0</b>	<b>(10,417,474)</b>	<b>(10,417,474)</b>

## 8. Agency Income and Expenditure

On behalf of all IJBs within the NHS Grampian area, the IJB acts as the lead manager for Sexual Health Services and Woodend Rehabilitation Services. It commissions services on behalf of the other IJBs and reclaims the costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the Sexual Health Services agency arrangement is shown below.

<b>2015/16</b>		<b>2016/17</b>
£		£
0	Expenditure on Agency Services	1,219,057
0	Reimbursement for Agency Services	(1,219,057)
<hr/>		
<b>0</b>	<b>Net Agency Expenditure excluded from the CIES</b>	<b>0</b>

The amount of expenditure and income relating to the Woodend Rehabilitation Services agency arrangement is shown below.

<b>2015/16</b>		<b>2016/17</b>
£		£
0	Expenditure on Agency Services	5,772,096
0	Reimbursement for Agency Services	(5,772,096)
<hr/>		
<b>0</b>	<b>Net Agency Expenditure excluded from the CIES</b>	<b>0</b>

## 9. Related Party Transactions

The IJB has related party relationships with the NHS Grampian and Aberdeen City Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

NHS Grampian

<b>2015/16</b>	<b>2016/17</b>
£	£
0 Funding Contributions received from the NHS Board*	(222,584,000)
0 Service Income received from the NHS Board	0
0 Expenditure on Services Provided by the NHS Board	188,183,593
0 Key Management Personnel: Non-Voting Board Members	159,923
<b>0 Net Transactions with the NHS Grampian</b>	<b>(34,240,484)</b>

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer and the Clinical Director. Details of the remuneration for some specific post-holders is provided in the Remuneration Report

\*Includes resource transfer income of £28,596,395

Balances with NHS Grampian

<b>31-Mar-16</b>	<b>31-Mar-17</b>
£	£
0 Debtor balances: Amounts due from the NHS Board	5,644,089
0 Creditor balances: Amounts due to the NHS Board	0
<b>0 Net Balance with the NHS Grampian</b>	<b>5,644,089</b>

Transactions with Aberdeen City Council

<b>2015/16</b>	<b>2016/17</b>
£	£
0 Funding Contributions received from the Council	(86,463,000)
0 Service Income received from the Council	(4,794,606)
0 Expenditure on Services Provided by the Council	117,014,182
0 Key Management Personnel: Non-Voting Board Members	66,434
<b>0 Net Transactions with Aberdeen City Council</b>	<b>23,823,010</b>

Key Management Personnel: The Non-Voting Board members employed by the NHS Board and recharged to the IJB include the Chief Financial Officer. Details of the remuneration for some specific post-holders is provided in the

Remuneration Report. The Chief Social Work Officer is a non voting member of the Integration Joint Board and the costs associated for this post are borne by the Council.

<b>31-Mar-16</b>		<b>31-Mar-17</b>
£		£
0	Debtor balances: Amounts due from the Council	4,773,385
0	Creditor balances: Amounts due to the Council	0
<hr/> <b>0 Net Balance with the Aberdeen City Council</b>		<b>4,773,385</b>

#### **10. VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

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