

AUDIT AND PERFORMANCE SYSTEMS COMMITTEE

ABERDEEN, 21 November 2017. Minute of Meeting of the AUDIT AND PERFORMANCE SYSTEMS COMMITTEE. Present:- Rhona Atkinson (NHS Grampian (NHSG)) Chairperson; and Councillors Cooke and Duncan.

Also in attendance: Judith Proctor (Chief Officer, Aberdeen City Health and Social Care Partnership (ACHSCP)), Alex Stephen (Chief Finance Officer, ACHSCP), Tom Cowan (Head of Operations, ACHSCP), Sally Shaw (Head of Strategy and Transformation, ACHSCP), Gail Woodcock (Lead Transformation Manager, ACHSCP), Colin Harvey (Internal Audit); and Iain Robertson and Alan Thomson (Legal and Democratic Services, Aberdeen City Council (ACC)).

Apologies: Luan Grugeon.

WELCOME AND APOLOGIES

1. The Chair opened the meeting and noted that apologies had been received from Luan Grugeon.

DETERMINATION OF EXEMPT BUSINESS

2. The Committee was asked to determine any exempt or confidential business.

The Committee resolved:-

To agree to consider item 9 (Transformation Update) with the public and press excluded.

DECLARATIONS OF INTEREST

3. 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.

TERMS OF REFERENCE (FOR NOTING)

4. The Committee had before it the Committee Terms of Reference.

The Committee resolved:-

To note the Terms of Reference.

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MINUTE OF PREVIOUS MEETING - 21 AUGUST 2017

5. The Committee had before it the minute of the previous meeting of 21 August 2017.

The Committee resolved:-

To approve the minute as a correct record.

APS COMMITTEE DATES 2018-19

6. The Committee had before it a report by the Clerk which proposed a meeting schedule for the Committee for 2018-19.

The report recommended:-

That the Committee -

- (a) Agree the 2018-19 meetings; and
- (b) Agree that the meeting dates be publicised on the Partnership's website.

The Clerk advised that the Committee was required to meet with the Chief Internal Auditor and External Audit once a year as per item 6.1 of the Committee's Terms of Reference and recommended that this be scheduled for November 2018 following approval of the IJB audited annual accounts. Thereafter he asked the Committee to approve the following dates:-

17 April 2018
19 June 2018
11 September 2018
20 November 2018
26 February 2019

The Committee resolved:-

To approve the recommendations, subject to alternative meeting dates being sourced for April and November 2018 and instruct the Clerk to carry out this work.

STRATEGIC RISK REGISTER

7. The Committee had before it a report by the Chief Finance Officer which presented the revised Strategic Risk Register for comment and discussion.

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The report recommended:-

That the Committee -

- (a) Note the content of the report; and
- (b) Discuss the escalation of any risks to the IJB for further discussion.

The Committee reviewed the risk register and there was discussion on risks relating to (1) hosted services; (2) significant market failure; (3) IJB reputational damage; and (4) regional commissioning and possible implications of the revised Care Home Contract for North East social care market. Thereafter the Committee recommended a number of revisions for the Partnership's consideration.

The Committee resolved:-

- (i) to request that consideration be given to revise the rationale of Risk 1 (Significant Market Failure) to take account of the ongoing Care Home Contract negotiations and anticipated geographic challenges for the North East social care market;
- (ii) to request that additional detail be inserted within the mitigation section of Risk 8 (Reputational Damage) to highlight the provision of regular updates to stakeholders on the delivery of Partnership strategies;
- (iii) to request that the report prepared by the North East Partnership Group on hosted services be presented to the Committee's next meeting;
- (iv) to request that the colour coding of risks be reviewed to ensure accurate allocation throughout the risk register; and
- (v) otherwise note the register.

BOARD ASSURANCE AND ESCALATION FRAMEWORK

8. The Committee had before it a report by the Chief Finance Officer which presented the Board Assurance and Escalation Framework (BAEF) for approval.

The report recommended:-

That the Committee –

- a) Comment on the revised BAEF; and
- b) Recommend the revised BAEF is approved by the IJB.

The Committee reviewed the BAEF and there was discussion on (1) the formatting and clarity of diagrams within the Framework; (2) how frequently the IJB should review the Statement of Risk Appetite; (3) the need for further clarity on risks relating to locality planning; (4) how frequently the Committee would meet with internal and external audit colleagues as per item 6.1 of the Committee's terms of reference; (5) reporting arrangements for presenting the Performance Management Framework to the

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Committee; and (6) the arrangements that would be put in place to allow Committee members to review and approve the revised BAEF to enable the Committee to recommend the approval of the BAEF to the IJB at its meeting on 12 December 2017.

The Committee resolved:-

- (i) to request that narrative be provided on page 80 to explain the diagram;
- (ii) to request that reporting links between the APS Committee and the Executive Team be inserted into the diagram on page 71;
- (iii) to recommend to the IJB that the Statement of Risk Appetite be reviewed by the Board on an annual basis;
- (iv) to request further detail on the risk escalation process for locality planning;
- (v) to request that version control and authorisation be added to future versions of the BAEF;
- (vi) to request a review of reporting arrangements for the Performance Management Framework on page 84, and instruct the Head of Strategy and Transformation to provide an update at the Committee's next meeting;
- (vii) to agree that the Committee would meet in closed session with Internal and External Audit on a bi-annual basis and to instruct the Clerk to make the necessary arrangements; and
- (viii) to instruct the Chief Finance Officer to take account of these resolutions and circulate a revised BAEF to Committee members by email for their approval prior to submitting the BAEF to the IJB for final approval on 12 December 2017.

POST INTEGRATION REVIEW

9. The Committee had before it a report by the Chief Finance Officer which presented the planned Post Integration Review Internal Audit Report.

The report recommended:-

That the Committee –

- (a) Review, discuss and comment on the issues raised within this report and the attached in Appendix 2; and
- (b) Note the further assurances provided in Appendix 1 re: the timelines for completion of the recommendations.

Colin Harvey (Internal Audit) advised that the report reviewed IJB and Partnership governance arrangements and provided recommendations on (1) the development of a Scheme of Delegation (2) service delivery and commissioning plans; (3) reporting operational and financial performance to IJB partners; (4) the development of a procedure for issuing IJB Directions to partners; (5) the maintenance of risk registers and the review of the Risk Management Framework (6) the development of a budget monitoring procedure (7) the combination of financial and operational performance

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indicators (8) the development of an asset management strategy; (9) timetabling for locality budgets; (10) the conclusion of work on the Benefits Realisation Framework; and (11) budget control of the Transformation Programme.

Mr Harvey also informed the Committee that a separate audit on the Transformation Programme was ongoing.

Thereafter the Committee reviewed the report and there was discussion on (1) the Partnership's development of a Scheme of Delegation in consultation with ACC Legal Services; (2) reporting of operational and financial performance to IJB partners, and the Service Response to Internal Audit's recommendation; and (3) the timescales and process for implementing agreed recommendations.

The Committee resolved:-

- (i) to request that the Chief Officer review the Service Response in relation to Internal Audit's recommendation on reporting operational and financial performance to IJB partners on page 96;
- (ii) to note that in response to revisions being made as per resolution (i), Internal Audit would consider preparing a summary note to take account of the Service's revised response, and in this event, to request that Internal Audit circulate this note to Committee members by email;
- (iii) to recommend to the Service that the Implementation Date for Internal Audit Recommendation 2.3.5 be delayed until the New Year;
- (iv) to request that the content of the Equalities, Financial, Workforce and Other Implications section within the covering report be quality checked by the Partnership prior to future publication;
- (v) to note the content of the Internal Audit report and issues raised in Appendix 2; and
- (vi) otherwise note the further assurances provided in Appendix 1 re: the timelines for completion of the recommendations.

AUDIT SCOTLAND NHS IN SCOTLAND 2017 REPORT

10. The Committee had before it a report by the Chief Finance Officer which provided an opportunity to discuss and comment on the Audit Scotland NHS in Scotland report.

The report recommended:-

That the Committee review, discuss and comment on the report attached as Appendix 1.

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The Committee resolved:-

- (i) to thank Partnership staff for their efforts in improving delayed discharge performance which had been recognised by Audit Scotland within the report;
- (ii) to note that Audit Scotland was currently undertaking a scoping exercise in order to prepare a further report on the integration of health and social care; and
- (iii) otherwise note the report

IN ACCORDANCE WITH THE DECISION RECORDED UNDER ARTICLE 2 OF THIS MINUTE, THE FOLLOWING ITEM WAS CONSIDERED WITH THE PRESS AND PUBLIC EXCLUDED.

TRANSFORMATION UPDATE

11. The Committee had before it a report by Gail Woodcock (Lead Transformation Manager, ACHSCP), which provided an update on the financial position of the Transformation Programme and provided information on project and programme progress and performance.

The Committee resolved:-

- (i) to request greater detail in future Transformation cover reports on progress and obstacles faced on the transformation journey, with particular focus on the use of transformation funds; implementation dates; project delivery and outcomes against anticipated benefits;
- (ii) to request additional information on the projected spend profile to enable members to gauge the levels of anticipated spend and contracted/committed spend, and to instruct the Chief Finance Officer to circulate this information to Committee members before the end of the calendar year; and
- (iii) otherwise note the information provided within the report

RHONA ATKINSON, Chairperson.

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