



## Audit and Performance Systems Committee

<b>Report Title</b>	Annual Governance Statement 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/17/035
<b>Date of Report</b>	20.03.17
<b>Date of Meeting</b>	11.04.17

### 1: Purpose of the Report

To provide the Audit & Performance Systems (APS) committee with the opportunity to provide comment on and approve in principle the annual governance statement.

To agree that assurances on the government framework can be provided to Aberdeen City Council and NHS Grampian.

### 2: Summary of Key Information

The annual governance statement forms a key part of the annual accounts and provides readers of the accounts with assurance that the governance framework is fit for purpose.

The framework in an IJB context is complex, as although the IJB has its own governance framework, assurance is required that the partners' governance frameworks are also fit for purpose, given that the operational responsibility is maintained by the partner organisations.

The IJB will be consolidated into the group accounts of Aberdeen City Council and NHS Grampian as a joint venture and they therefore require assurance that IJB's governance framework is fit for purpose.

Therefore, a failure or weakness in either of the IJB, ACC or NHSGs' governance frameworks may require disclosure in the accounts of any of three partners depending on the severity.



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A draft annual governance statement is attached in appendix 1 of this report. The governance statement has been designed to provide assurance around compliance against the local code of corporate governance and the governance principles contained therein.

The IJB is asked to agree appendix 1 in principle and delegate authority to the chief finance officer to complete the governance statement once assurances have been received from Aberdeen City Council, NHS Grampian and the internal auditors for inclusion in the statement. This delegation is sought on the basis that no significant weaknesses are raised in the three assurances still to be received. If a significant weakness is identified then a meeting of the Audit & Performance Systems Committee will be called.

Delegation is also sought to allow the Chief Finance Officer to provide assurances to Aberdeen City Council and NHS Grampian that reasonable assurance can be placed upon the adequacy and effectiveness of the Aberdeen City Integration Joint Board's systems of governance. This delegation is sought given that the next meeting of the Audit & Performance Systems Committee is not scheduled until the 20<sup>th</sup> of June 2017.

Given the IJB has only been operational for one year, there are developments required to the governance framework. These are identified in the governance statement and will be collated into an action plan to be monitored by the Audit & Performance Systems Committee. A structured process will be developed to review effectiveness of the framework in future years.

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

There are no equalities, financial or workforce recommendations arising directly from this report



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### 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 1-10 of the strategic risk register.

**How might the content of this report impact or mitigate the known risks:** The Annual Governance Statement provides information on the effectiveness of the IJB Governance Framework.

### 5: Recommendations

It is recommended that the Audit & Performance Systems Committee:

1. 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:

2. 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 Integration Joint Board's systems of governance.



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## **Audit and Performance Systems Committee**