



AUDIT AND PERFORMANCE SYSTEMS COMMITTEE

Minute of Meeting

21 August 2017
Health Village, Aberdeen

Present: Professor Mike Greaves (NHS Grampian (NHSG)) Chairperson; Rhona Atkinson (NHSG); 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), Gail Woodcock (Lead Transformation Manager, ACHSCP), Sarah Gibbon (Executive Assistant, ACHSCP), David Hughes (Internal Audit), Andy Shaw (External Audit), Ricky McLaughlin (PricewaterhouseCoopers (PwC)) and Iain Robertson (Clerk, Aberdeen City Council (ACC)).

DECLARATIONS OF INTEREST

1. 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

2. The Chair proposed that item 7 (NHS Grampian Internal Audit Report) on today's agenda be considered with the press and public excluded.

The Committee resolved:-

In terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the aforementioned items of business so as to avoid disclosure of exempt information of the classes described in paragraph 6 (NHS Grampian Internal Audit Report) of Schedule 7(A) of the Act.

MINUTE OF PREVIOUS MEETING – 20 June 2017

3. The Committee had before it the minute of the previous meeting of 20 June 2017.

With reference to item 6(ii), the Chief Finance Officer confirmed that he had met with Councillor Cooke to discuss the Board Assurance and Escalation Framework (BAEF) and advised that the Good Governance Institute were currently reviewing the BAEF and it would be resubmitted to the Committee in due course; and

With reference to item 7(v), the Clerk explained that he would liaise with colleagues from NHS Grampian to streamline the relevant audit committees and advised that an indicative IJB schedule would be presented to the IJB before the end of the calendar year. The Chief Officer added that the Partnership would also support re-convening a group consisting of the chairpersons of the Audit and Performance Systems Committee; the Council's Audit, Risk and Scrutiny Committee and NHS Grampian's Audit Committee to discuss how committee scheduling could be organised to support the audit function.

The Committee resolved:-

- (i) to approve the minute as a correct record; and
- (ii) otherwise note the information provided.

FINAL EXTERNAL AUDIT ANNUAL REPORT

4. The Committee had before it a report by the Chief Finance Officer which presented the Committee with the external audit report for discussion and noting.

The report recommended:-

That the Committee note the content of the Annual Audit Report to members and the Controller of Audit report.

Andy Shaw (External Audit) advised that the annual report was a public document addressed to both the IJB and the Controller of Audit. Mr Shaw summarised the IJB's financial results and noted the financial pressures faced by its partner organisations. Thereafter he outlined the audit conclusions and confirmed that the accounts complied with both CIPFA accounting standards and the four audit dimensions for the local government sector which were Financial Sustainability; Financial Management; Governance and Transparency; and Value for Money.

Mr Shaw noted that a letter had been drafted confirming the independence of the external auditors; and referred members to External Audit's only recommendation which asked the IJB to consider putting in place a document management system with version control. He noted that this recommendation had been accepted by management with an indicative implementation date of 31 March 2018.

The Committee resolved:-

- (i) to note the content of the Annual Audit Report to members and the Controller of Audit report; and

- (ii) to note that External Audit's recommendation for the IJB to put in place a document management system with version control had been accepted by management with an indicative date for implementation of 31 March 2018.

ANNUAL ACCOUNTS (AUDITED) 2016-17

5. The Committee had before it a report by the Chief Finance Officer which presented the Committee with the audited final accounts for 2016/17.

The report recommended:-

That the Committee -

- a) Consider and agree the Integration Joint Board's Audited Accounts for 2016/17, as attached at appendix A;
- b) Instruct officers to submit the approved audited accounts to NHS Grampian and Aberdeen City Council; and
- c) Instruct the Chief Finance Officer to sign the representation letter, as attached at appendix B.

The Chief Finance Officer explained that terms of reference delegated authority to the APS Committee to approve the IJB annual accounts which members would be requested to do at today's meeting. He highlighted that the accounts were largely unchanged from the unaudited accounts presented to the Committee on 20 June 2017, but he appended a slight revision to p38 of the accounts which had been inadvertently altered during the version control process.

Thereafter members were advised on the definition and purpose of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS).

The Committee resolved:-

- (i) to agree the Integration Joint Board's Audited Accounts for 2016/17, as attached at appendix A;
- (ii) to instruct officers to submit the approved audited accounts to NHS Grampian and Aberdeen City Council;
- (iii) to instruct the Chief Finance Officer to sign the representation letter, as attached at appendix B; and
- (iv) to circulate the approved annual accounts to IJB members for information.

TRANSFORMATION PROGRAMME UPDATE

6. The Committee had before it a report by Gail Woodcock (Lead Transformation Manager, ACHSCP) which provided an update on the progress of the Transformation Programme.

The report recommended:-

That the Committee –

- a) Note the ongoing process and progress in developing and delivering the transformational programme; and
- b) Note the change requirement in relation to the provision of funding for Thinc social transport during 2017/18.

Gail Woodcock (Lead Transformation Manager, ACHSCP) advised that the report provided an update on the IJB's six priority areas for strategic investment and outlined the governance arrangements which supported the management of the Transformation Programme. She explained that levels of expenditure; opportunities; risks; and mitigations had been set out for each priority area and noted that a number of projects had been delayed due to recruitment and capacity issues but advised that the recruitment of four programme managers would help to expedite this process. Ms Woodcock confirmed that THInc funding had been agreed by the IJB at its meeting on 15 August 2017.

Thereafter there were questions and comments on recruitment and capacity risks; the level of duplication within the governance structure, with particular reference to the roles and remits of the Strategic Planning Group and the Executive Programme Board; and the process for assessing the RAG status for the six priority areas for strategic investment;

The Committee resolved:-

- (i) to note the ongoing process and progress in developing and delivering the transformational programme; and
- (ii) to request additional detail within the next Transformation Programme Update on the process for assessing the RAG status for the six priority areas for strategic investment to provide clarification and assurance to the Committee.

In accordance with the decision recorded under article 2 of this minute, the following items were considered with the press and public excluded.

NHS GRAMPIAN INTERNAL AUDIT REPORT

7. The Committee had before it a report by the Chief Finance Officer which presented the Committee with a summary of a recent NHSG Internal Audit report prepared by PwC. The internal audit report assessed the design and operating effectiveness of key controls for budget setting and staff governance at the Aberdeenshire, Aberdeen City and Moray Health & Social Care Partnerships (HSCPs).

The Committee resolved:-

- (i) to note the content of the NHSG Internal Audit Report, as attached at Appendix A; and
- (ii) to instruct officers to implement the actions outlined in the action plan of the NHSG Internal Audit report, as attached at Appendix A.

PROFESSOR MIKE GREAVES, Chairperson.