



AUDIT AND PERFORMANCE SYSTEMS COMMITTEE

Minute of Meeting

12 June 2018

Health Village, Aberdeen

Present: Rhona Atkinson (NHS Grampian (NHSG)) Chairperson; and Councillors Laing and Samarai; and Jonathan Passmore MBE (NHSG).

Also in attendance: Alex Stephen (Chief Finance Officer, Aberdeen City Health and Social Care Partnership (ACHSCP)), (Gail Woodcock (Lead Transformation Manager, ACHSCP), Heather Tennant (Transformation Programme Manager, ACHSCP), Jo Hall (Transformation Programme Manager, ACHSCP, for agenda items 9 and 10 only), Martin Allan (Business Manager, ACHSCP), Sarah Gibbon (Executive Assistant, ACHSCP), Alan Thomson and Iain Robertson (Governance, Aberdeen City Council (ACC)), David Hughes (Internal Audit) and Natalie Dyce (External Audit).

DETERMINATION OF URGENT BUSINESS

1. The Chair advised that she had accepted items 5 (Annual Audited Accounts) and 6 (External Audit Report) onto today's agenda as urgent business.

The Committee resolved:-

To accept agenda items 5 and 6 as urgent business.

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 Committee was asked to determine any exempt or confidential business.

The Committee resolved:-

To note there was no exempt business.

MINUTE OF PREVIOUS MEETING – 10 APRIL 2018

4. The Committee had before it the minute of the previous meeting of 10 April 2018.

In reference to item 4 (Minute of Previous Meeting), Martin Allan (Business Manager, ACHSCP) advised that the strategic risk register was not on today's agenda but explained that work was ongoing to address issues raised by Board members at the workshop on 24 April. He highlighted that the review would adhere to the requirements outlined in the Board Assurance and Escalation Framework and advised that the revised risk register and risk appetite statement would be presented to the Committee's next meeting on 11 September 2018; and

In reference to item 5 (Local Code of Governance), Alex Stephen (Chief Finance Officer, ACHSCP) advised that this would also be presented to the Committee's next meeting in September.

The Committee resolved:-

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

VERBAL UPDATE – PROGRESS ON THE DEVELOPMENT OF A CONTRACTS REGISTER

5. Alex Stephen (Chief Finance Officer, ACHSCP) advised that progress on the development of an IJB contracts register was ahead of schedule and it was his intention to present this to the Committee's next meeting. Mr Stephen explained that the register would cover both grants and commissioned services and confirmed that no contracts were due to expire between today's meeting and the Committee's next meeting on 11 September 2018.

The Committee resolved:-

To note the information provided.

AUDITED ANNUAL ACCOUNTS – 2017-18

6. The Committee had before it a report by the Alex Stephen which asked the Committee to consider and approve the audited final accounts for 2017/18.

The report recommended:-

That the Committee -

- (a) Consider and agree the Integration Joint Board's Unaudited Accounts for 2017/18, 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.

Alex Stephen advised that no changes had been made to the figures that had been set out in the unaudited accounts at the IJB on 22 May 2018. He noted that the use of terminology and language had been reviewed, and additional commentary had been inserted into the narrative section to reflect comments made by the Board, otherwise no substantive changes had been made. Mr Stephen advised that the Committee had the authority to approve the annual accounts and requested that it do so, in order for the accounts to be presented to Aberdeen City Council and NHS Grampian.

The Committee resolved:-

- (i) to agree the Integration Joint Board's audited Accounts for 2017/18, as attached at appendix A;
- (ii) to instruct the Chief Finance Officer to submit the approved audited accounts to NHS Grampian and Aberdeen City Council; and
- (iii) to instruct the Chief Finance Officer to sign the representation letter, as attached at appendix B.

EXTERNAL AUDIT REPORT (ISA 260)

7. The Committee had before it a report by Alex Stephen which introduced the external audit report ISA 260: for discussion and noting.

The report recommended:-

That the Committee -

- (a) Note the content of the ISA 260: Audit report, as at appendix A; and
- (b) Note that the full external audit report will be presented to the Committee in September 2018.

Natalie Dyce (External Audit) advised that External Audit had issued an unqualified opinion of the accounts, with no audit recommendations. She explained that IJB financial reporting was in line with statutory requirements and no audit misstatements had been identified during the audit. Ms Dyce provided an overview of the materiality and risks to the IJB but noted there were no specific areas which required members' attention. As such, an audit action plan had not been prepared and External Audit was satisfied that the one outstanding recommendation from 2016-17 had been actioned and closed off. She added that External Audit would present a further report to Committee on 11 September 2018 which would cover the wider scope areas outlined within Audit Scotland's Code of Audit Practice and this would complete the 2017-18 annual audit process.

Thereafter there were questions and comments on (1) the definition of financial sustainability; (2) how to set out tolerance levels and evidence budget monitoring controls, particularly for variances to align with best practice; and (3) if External Audit could provide guidance on how the Board could effectively capture non-financial benefits achieved through transformation, as this had proven to be an area of challenge for the IJB.

The Committee resolved:-

- (i) to note the content of the ISA 260: Audit report, as at appendix A; and
- (ii) to note that the full external audit report would be presented to the Committee in September 2018.

INTERNAL AUDIT REPORT – CARE MANAGEMENT

8. The Committee had before it a report by David Hughes (Chief Internal Auditor) which presented the outcome of the planned audit of Care Management that was included in the 2017/18 Internal Audit Plan for Aberdeen City Council.

The report recommended:-

That the Committee review, discuss and comment on the issues raised within this report.

David Hughes provided an overview of the planned audit of Care Management which had been presented to Committee as per the audit sharing protocol between this Committee and the Council's Audit, Risk and Scrutiny Committee. The audit had found that written procedures and records needed to be updated; and a number of payments for care had not been processed through the Care First system. He noted that Internal Audit had made a number of recommendations to the Service to improve future practice and ensure regulatory compliance which had all been accepted by Management.

Thereafter there were questions and comments on (1) the level of risk to the IJB if payments for care were not all being processed through the Care First system; (2) the arrangements the Partnership had put in place to monitor the Care First system; (3) the remits of the Care First Working Group and Self-Directed Support Programme Board; (4) the rationale for the Partnership having a portfolio of residential property; and (5) how the Partnership would engage with staff on the care management issues identified within Internal Audit's report.

The Committee resolved:-

- (i) to instruct the ACHSCP Business Manager to present further assurance to the Committee's next meeting, on the how the Partnership would manage and mitigate issues and risks relating to Care First which had been identified by Internal Audit; and
- (ii) otherwise note the report.

AUDIT SCOTLAND REPORT ON ARMS LENGTH ORGANISATIONS

9. The Committee had before it a report by Alex Stephen which provided Members an opportunity to discuss and comment on the Audit Scotland Report 'Councils' use of arm's length organisations'.

The report recommended:-

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

Alex Stephen advised that Audit Scotland's report had been presented to today's meeting as it was considered good practice for relevant national reports to be

reported to public audit committees. He explained that Bon Accord Care had been a subject of Audit Scotland's inquiry and the IJB had an interest in this as Bon Accord Care was an arms-length external organisation (ALEO) of Aberdeen City Council and was the IJB's biggest commissioning partner. Mr Stephen highlighted that the report was generally positive about the governance arrangements between Aberdeen City Council and Bon Accord Care, with no specific recommendations or specific causes for concern identified by the auditors for either the Council or Bon Accord Care. The Clerk confirmed that the Council's response to Audit Scotland's report would be presented to the Audit, Risk and Scrutiny Committee on 25 September 2018.

Thereafter members agreed that it would require ongoing assurance from Aberdeen City Council on its commissioning strategy, to determine the level of impact this may have on the IJB's Direction to Council to deliver adult social care services to ACHSCP.

The Committee resolved:-

To note the report.

TRANSFORMATION PROGRAMME MONITORING REPORT

10. 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 and included a high level overview of the full transformation programme, and a deeper dive into two of the work streams: (1) Self-Management and Building Community Capacity; and (2) Infrastructure, IT and Data Sharing.

The report recommended:-

That the Committee note the information provided in this report.

Gail Woodcock provided an overview of the transformation programme and highlighted the opportunities, costs and risks that had developed over the previous period since her last report to Committee in March and noted that formatting for the next report would be revised to focus on deliverability. Thereafter she delivered a deep-dive presentation on (1) Self-Management and Building Community Capacity; and (2) Infrastructure, IT and Data Sharing.

The Committee agreed that the report was very useful, and its formatting continued to improve each cycle. There were then discussions on (1) how more clarity could be provided within the report on overall programme expenditure, particularly in relation to variances and the rationale for over or under-spends; and (2) the IJB's charging policy and the de-medicalisation of equipment.

Thereafter there were questions and comments on (1) the reason for the change control in terms of budgeting/resource for the Health and Social Care Training Passport (formerly the Social Care Campus); (2) the use of transformation funding to deliver acute care at home, and whether this service could be integrated into the mainstream budget in future years; and (3) progress with regards to the Link Worker project, and how the Partnership could produce data that would enable the IJB to monitor the costs and benefits of the project, in terms of finance; service user wellbeing; and efficiencies made to the wider health and social care system.

The Committee resolved:-

- (i) to note the report; and
- (ii) to thank Gail Woodcock for her very useful report and informative deep-dive presentation.

CONFIRMATION OF ASSURANCE

11. The Chair provided Members with an opportunity to request additional sources of assurance for items on today's agenda, and thereafter asked the Committee to confirm it had received adequate assurance to fulfil its duties as outlined within the Committee's Terms of Reference.

The Committee resolved:-

- (i) to instruct the Chief Finance Officer to prepare a Forward Report Planner for the next 12 months to provide assurance that the Committee was fulfilling duties as outlined within the terms of reference, and for this Forward Report Planner to be attached to future agendas as a standing item; and
- (ii) to confirm the receipt of adequate assurance for items on today's agenda.

RHONA ATKINSON, Chairperson.