

REPORT TO THE AUDIT COMMITTEE – 2 NOVEMBER 2017

ABERDEENSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP INTERNAL AUDIT REPORT

1. Recommendation

1.1 The Committee is requested to note the issues raised within this report.

2. Discussion

2.1 The Aberdeenshire Health and Social Care Partnership Audit Committee agreed on 31 August 2016 that outputs from audits relating to the Partnership would be reported, for information, to the Aberdeenshire Audit Committee. This report contains the summary of such a report, as reported to the Partnership's Audit Committee on 25 October 2017.

2.2 Appropriate officers agreed the factual accuracy of the Internal Audit report prior to issue and action has been agreed to address the issues identified.

2.3 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report. Any comments made have been incorporated within the report and they are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3. Scheme of Governance

3.1 The Committee is able to discuss this item in terms of Sections G.1.1.d and G.1.4 of the List of Committee Powers in Part 2A of the Scheme of Governance as the Committee is responsible for Internal Audit matters and reviewing the activities of Internal Audit.

4. Internal Audit Report

4.1 Post Integration Review (Internal Audit Report 1749 – September 2017)

4.1.1 Aberdeenshire Health and Social Care Partnership formed in February 2016, following approval of its Integration Scheme. Publication of its Strategic Plan, and delegation of service delivery by its Partners: NHS Grampian and Aberdeenshire Council, was completed to allow the Partnership to commence operations in April 2016.

4.1.2 The Partnership manages its strategy and operations via an Integration Joint Board (IJB), supported by Committees, a Management Team, and officers within the Partners who are in the process of transitioning from existing to new roles in the Partnership. Resources and budgets have been delegated to the Partnership, which directs services from the Partners via official Directions in order to fulfil the requirements of its Strategic Plan.

- 4.1.3 The objective of this audit was to meet the requirement of Scottish Government Integration Financial Assurance Guidance to provide assurance over whether integration objectives are on line to be achieved including: evaluation of actual risk and financial performance against pre-integration assumptions, performance on relevant integration milestones, lessons learned, and whether the partnership is on course to deliver the long term benefits.
- 4.1.4 Assurance has been obtained over each of these areas, and is reiterated in the Partnership's Annual Performance Report, published in July 2017. Whilst publication of the Report will be within the deadline required under the Public Bodies (Joint Working) (Content of Performance Reports) (Scotland) Regulations 2014, required Locality budget and spend data was not available prior to this date.
- 4.1.5 Whilst in general arrangements are satisfactory, improvements to governance and reporting arrangements have been recommended, and actions agreed. The Chief Officer will review and determine the need for a scheme of delegation, risk management strategy, and a process for issuing Directions; and will progress work on the development of an asset management plan, and revisions to the commissioning plan to provide clearer data on planned and actual progress with transformational change. The Chief Finance Officer is further developing budget monitoring and savings plan progress reporting, to provide additional assurance to the IJB over budget holders' actions. Locality budgets are being finalised for 2017/18.
- 4.1.6 Partners review the IJB's combined performance data regularly via Committees and through partnership performance meetings. Partners do not however regularly review their operational services' separate performance (operational and financial) against the standards set by the IJB. Instead Partners provide their budgeted contribution to the IJB, and thereafter the funds are utilised in accordance with the IJB's strategic priorities.
- 4.1.7 The Chief Officer has noted that Partners' financial information requirements are satisfied by the provision of forecasts on the IJB's overall financial position. Performance reports are also provided quarterly for information to the Communities Committee within the Council to provide assurance. The cost of individual elements of services are subject to change as those services transform and develop into 'IJB services'. Reporting on previous structures to individual Partners would therefore be inappropriate. As the Partnership manages the performance of all of the services delegated to it under the Integration Scheme, it will determine whether any action is required in respect of that performance and ensure this is communicated to the relevant Partners. Further reporting structures would result in inefficiencies and duplication and are not considered necessary.

5. Implications and Risk

- 5.1 An equality impact assessment is not required because the reason for this report is for Committee to discuss and comment on the findings of Internal Audit work and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 5.2 There are no staffing or financial implications arising directly from this report other than those implicit in the tightening of internal controls recommended in the Internal Audit reports.
- 5.3 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

CHIEF INTERNAL AUDITOR

Report prepared by David Hughes, Chief Internal Auditor.
17 October 2017.

