

ABERDEENSHIRE INTEGRATION JOINT BOARD**AUDIT COMMITTEE****WOODHILL HOUSE, ABERDEEN, 19 JUNE, 2019****Audit Committee Members:**

Provost W Howatson (Chair), Ms A Anderson, Councillor D Robertson, and Ms R Little.

Apologies: Mr D Hekelaar; and Mrs I Kirk.

Officers: Mr A Coldwells, Chief Officer; Mr A Sharp, Chief Finance Officer; Mr D Hughes, Chief Internal Auditor, Aberdeenshire Council; Ms A MacDonald, Audit Scotland; and Ms J McRobbie, Committee Officer.

1. SEDERUNT AND DECLARATION OF INTERESTS

Apologies were intimated on behalf of Mrs Inez Kirk and Mr David Hekelaar, non-voting members.

The Chair asked for declarations of interest; no interests were declared.

2. STATEMENT OF EQUALITIES

In making decisions on the following items of business, the Audit Committee **agreed**, in terms of Section 149 of the Equality Act, 2010:-

- (1) to have due regard to the need to:-
 - (a) eliminate discrimination, harassment and;
 - (b) advance equality of opportunity between those who share a protected characteristic and persons who do not share it; and
 - (c) foster good relations between those who share a protected characteristic and persons who do not share it.
- (2) where an Equality Impact Assessment was provided, to consider its contents and take those into account when reaching their decision.

3. MINUTE OF MEETING OF AUDIT COMMITTEE OF 25 FEBRUARY, 2019

There had been circulated, and was approved as a correct record, the Minute of Meeting of 25 February, 2019.

Arising from consideration of the above, it was noted that for the session on 21 August, which would consider the Audited Accounts, Ms Rachel Little would attend as Vice Chair of the Committee as Ms Amy Anderson had submitted her apologies for this date.

4. QUORUM AND UPDATED TERMS OF REFERENCE

With reference to the Minute of Meeting of 25 February, 2019, (Item 4,) there had been circulated a report dated 3 June, 2019 by the Chief Finance Officer, providing updates on the proposed quorum and updated terms of reference for the Audit Committee, as approved by the Integration Joint Board of 27 February, 2019. The Committee noted that, (a) since the meeting, Mr Tony Cox had resigned from the position of public representative on the Joint

Board and so there was no need to further adjust the number of non-voting representatives from the two originally approved; (b) that there was no need to expand the quorum for the Committee, unless this could encompass an additional member from each of the voting partners; (c) recommending minor adjustments to the Terms of Reference to be considered by the Integration Joint Board; and (d) confirming that Ms Amy Anderson would be the Vice Chair.

The Committee **agreed:**

- (1) to note that Mr Tony Cox had stepped down from the Committee;
- (2) to note that non-voting members cannot count towards the quorum of the meeting;
- (3) that quorum arrangements remain as three voting members of the Committee;
- (4) to recommend the amended Terms of Reference, as detailed in Appendix 1 to the report, to the Integration Joint Board for approval; and
- (5) to appoint Ms Amy Anderson as Vice Chair to the Committee.

5. ABERDEENSHIRE ADULT PROTECTION ACTION PLAN

With reference to the Minute of Meeting of 25 February, 2019, (Item 12), there had been circulated a report dated 6 June, 2019 by the Lead Social Worker, Aberdeenshire Health & Social Care Partnership, providing an update position on the implementation of the Aberdeenshire Adult Protection Action Plan. The report indicated that of the 29 action points, 14 had been completed, with 13 on target to complete on timescale, and with two progressing but with slight delays.

Having noted the Adult Protection Committee also had oversight of the successful delivery of the Action Plan, the Committee **agreed:-**

- (1) to acknowledge and note that all action points on the plan were progressing or completed;
- (2) to commend the work to date by the Aberdeenshire Adult Protection Partnership, in relation to the plan; and
- (3) that the Action Plan Exception Report be submitted to the Social Work and Clinical Governance Group, as part of current scrutiny and governance arrangements.

6. INTERNAL AUDIT ANNUAL REPORT 2018/19

There had been circulated a report dated 10 June, 2019 by the Chief Internal Auditor, requesting the Committee's consideration of the activities of the Internal Audit function, as detailed in the Annual Report 2018/19.

Having heard further from the Chief Internal Auditor of the planned work undertaken across NHS Grampian and Aberdeenshire Council, which had given reasonable assurance of the adequacy and effectiveness of the Board's framework of governance, risk management, and control in the year to 31 March, 2019, there was discussion of (a) ongoing dialogue with officers of the Partnership in respect of recommendations arising from the audits detailed in Appendix C to the report, with updates since publication to be reported to the next meeting of the Committee; (b) the current challenges of working across partner organisations with differing Schemes of Governance and delegations to officers, in the absence of a Partnership scheme; and (c) the impact of continuing maturity and evolution of the Integration Joint Board in the implementation to the letter of some Internal Audit recommendations.

The Committee **agreed:-**

- (1) to note the Internal Audit Annual Report 2018/19;

- (2) to welcome the Internal Auditor's confirmation of the organisational independence of Internal Audit;
- (3) to welcome the assurance that there had been no limitations to the scope of Internal Audit work in 2018/19; and
- (4) to welcome a progress update to the next meeting.

7. INTERNAL AUDIT REPORTS

There had been circulated a report dated 31 May, 2019 by the Chief Internal Auditor containing information on two audits relating to health and social care functions, being (a) the Joint Equipment Store (Report 1845 – May 2018) and (b) the National Care Home Contract (Report 1930 – March, 2019) and rehearsing the different audit trails for each across the two partners' committee structures.

The Committee heard from the Chief Internal Auditor that, in respect of the Joint Equipment Store, all recommendations had been met in a positive response to Audit, with a sole remaining recommendation on course to be implemented by the due date of July, 2019, and that Aberdeenshire Council's Audit Committee had visited the store and been assured of a good and well-developed service.

In respect of the National Care Home Contract, Mr Hughes indicated that whilst some issues had been identified, there had been a positive response by staff in working with Internal Audit to apply the recommendations agreed.

There was discussion of the timetable for the implementation of the procurement recommendations and the Chief Internal Auditor advised that while the action may not be fully completed by July, 2019 as programmed, he was confident that the recommendation would be implemented as soon as practicably possible.

Being assured, the Committee **agreed** to note the updates and assurances provided.

8. PWC INTERNAL AUDIT PROGRESS REPORT 2018/19 - EXTRACT FOR ABERDEENSHIRE INTEGRATION JOINT BOARD

There had been circulated a report by PWC, as Auditors to NHS Grampian, identifying three audits which had implications for the Integration Joint Board, being (a) unscheduled care and discharge pathways; (b) health and safety governance; and (c) governance structures, in particular those relating to hosted services.

The Committee heard from the Chief Finance Officer as to the timescales of the various matters having been considered, and there was discussion of (i) the use of figures from Dr Gray's, Elgin, as opposed to Aberdeen Royal Infirmary, in respect of the unscheduled care and discharge pathways; (ii) the need to consider, in due course, any correlation between discharge and pressures on residential care and care at home; (iii) the current consideration, by senior management teams across the three North East Integration Joint Boards, of the proposed alignment of health and safety governance with the NHS Grampian PAIR model (Performance, Assurance, Improvement & Risk) and reassurance given that the matter was already considered on a monthly basis in terms of a common process report by Aberdeenshire's Health & Social Care Partnership's management team; and (iv) the reasons why the Hosted Services meetings had, to date, never been formally Minuted.

The Committee **agreed:-**

- (1) to note and welcome the assurances given of work undertaken, or ongoing, to implement the recommendations agreed with PWC as Auditors to NHS Grampian; and

- (2) that future reports be presented with a cover report, highlighting the specific implications for Aberdeenshire Health & Social Care Partnership.

9. ABERDEENSHIRE INTEGRATION JOINT BOARD INTERNAL AUDIT PLAN 2019/20

There had been circulated a report dated 18 April, 2019 by the Chief Internal Auditor, presenting his Audit Plan for 2019/20, and reporting that the proposed work relating to the Adult Social Care Services had been reported to, and approved for their interest by, Aberdeenshire Council's Audit Committee on 20 March, 2019.

There was discussion of how topics were identified for investigation, (a) including consideration of management risk registers to assess what was perceived to be important, knowledge accumulated over experience of previous areas of interest, and high level governance issues; (b) the areas where the Partnership could be considered as a single entity and where it required to be considered as its two separate partners in terms of both risk and delivery of priorities; (c) national work ongoing on the issuing of Directions instructing either the Council, or the Health Board, to undertake specific activities on the Partnership's behalf; (d) the experience of joint working across two separate bodies which had not impacted negatively as an operational barrier even in the early days of integration in North East Scotland; and (e) the evolution of risk registers for the Integration Joint Board itself.

The Committee **agreed** to approve the 2019/20 Internal Audit Plan, at Joint Board level, with its focus on (i) data legislation; (ii) service standards; and (iii) partnership governance.

10. PROGRESS REPORT ON THE 2018/19 AUDIT – REPORT BY THE EXTERNAL AUDITOR

With reference to the Minute of Meeting of 25 February, 2019, there had been circulated a report by Audit Scotland, providing an update on progress with the 2018/19 audit of Aberdeenshire Integration Joint Board, including action on agreed recommendations from the 2017/18 audit.

The Committee heard further from Ms MacDonald (a) that the main focus of the current audit was on systems, with CareFirst well known across local authorities as being challenging in both keeping up to date and generating figures which could be automatically input to accounts, without requiring additional checking by officers, and the impact of delays in payments and potentially cash flow problems, to providers; and (b) that the three remaining actions from the 2017/18 audit had been completed.

There was discussion of the process being investigated nationally for a new system, the consideration of the appointment of additional specialised administrative staff to support care practitioners to mitigate against delays; the latitude afforded by service providers to allow the Partnership more than the standard 28 payment days without taking enforcement action; the possibility of delay in payment due to changes mid-contract which were under dispute with the service providers; and the establishment of a local working group to consider the matter in operational detail.

The Committee **agreed** to welcome the ongoing work to meet External Audit recommendations and commend staff for those which had been concluded.

11. UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR TO 31 MARCH, 2019

There had been circulated a report dated 28 May, 2019 by the Chief Finance Officer, presenting the unaudited annual accounts for the year to 31 March, 2019 which identified a surplus of £1,405,000, reflecting a deficit against the revenue budget of £3,137,000, which would require the drawdown of additional contributions from both partners; and the establishment of a reserve fund of £1,405,000, reflecting slippage in earmarked Scottish Government funds for Primary Care Improvement and Action 15 funding for mental health workers.

Having heard further from the Chief Finance Officer that the unaudited reports would be submitted, on his signing off on the statement of responsibility and balance sheet, to Audit Scotland for their consideration, there was discussion as to whether the document was an accessible commentary reflecting the story of Aberdeenshire's Integration Joint Board for 2018/19, covering the big issues and risks and explaining how these were managed, and of the unaudited accounts and their supporting narrative.

The Committee **agreed** to approve, for onward submission to Audit Scotland, the unaudited accounts as detailed in the Appendix to the report.

12. AUDIT SCOTLAND REPORT ON HEALTH & SOCIAL CARE INTEGRATION - ABERDEENSHIRE SPECIFIC ISSUES

With reference to the Minute of Meeting of 25 February, 2019, (Item 10), there had been circulated a report dated 3 June, 2019 by the Chief Finance Officer extrapolating, from a national Audit Scotland report on Health and Social Care Integration, 9 Aberdeenshire specific issues from the total 16 listed in the report; four directed to integration authorities in partnership with NHS Boards and Councils, and five directed to the Scottish Government in addition to Integration authorities, NHS Boards and Councils. An action plan, addressing each of the issues, was appended to the report. It was highlighted that the timing of the report was fortuitous, synchronising with a Ministerial Steering Group review on the progress of integration.

The Committee heard further from officers as to their assessment of Aberdeenshire's making reasonable progress towards addressing the issues flagged in the Audit Scotland report, particularly in the areas of strategic planning, long-term finance, information-sharing across partners, and the improvements in performance reporting.

There was discussion of the timescales within which action points might be achieved, and commendation for the joint working by partners in Aberdeenshire as the organisation continued to evolve, and the Committee **agreed:-**

- (1) to commend the joint working to address the 9 issues relevant to Aberdeenshire Integration Joint Board as identified in the Audit Scotland report;
- (2) to await with interest the outcomes of the Ministerial Review; and
- (3) to approve the format of reporting for application as a standard cover report for any future national audit reports.

