

**REPORT TO ABERDEENSHIRE INTEGRATION JOINT BOARD AUDIT
COMMITTEE – 23rd JUNE 2021**

ANNUAL GOVERNANCE STATEMENT & INTERNAL CONTROL ENVIRONMENT

1 Recommendations

The Audit Committee is recommended comment and approve the draft Annual Governance Statement which as set out at appendix 1.

2 Purpose of the Report

- 2.1 To provide the Audit Committee with the opportunity to comment on and approve in principle the Annual Governance Statement.
- 2.2 To agree that assurances on the governance framework can be provided to Aberdeenshire Council and NHS Grampian.

3 Background

- 3.1 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.
- 3.2 The framework for governance in an Integration Joint Board (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 partner organisations. The IJBs financial balances will be consolidated into the group accounts of NHS Grampian and Aberdeenshire Council as a joint venture. This means our partner bodies require assurance that the IJB's governance framework is fit for purpose. Therefore, a failure or weakness in either of the IJB, NHS Grampian or Aberdeenshire Council governance frameworks may require disclosure in the Accounts of any of the partners depending on the severity.
- 3.3 This year, as in every year, the IJB continues to review, modify and improve its governance framework. The IJB Board meetings and sub Committee meetings have continued during the year, although on a virtual basis. A number of enhancements were made to the governance arrangements during the year:
 - Terms of reference for the Audit Committee and the Clinical & Adult Social Work Governance Committee have been reviewed.
 - A response was provided to the national consultation exercise on the Code of Conduct.
 - Workforce Plans for 2020/21 and 2021/22 were prepared and submitted to the Scottish Government.
 - Development sessions for IJB members were held throughout the year on a range of topics.
 - The Strategic Risk Register has been reviewed and considered in detail at an IJB development session.

- A daily dashboard of key performance indicators has been developed to provide more up to date performance information to managers.
- Control room arrangements were established to manage services during the Covid 19 pandemic and ensure escalation of any critical service issues.

- 3.4 In relation to the Covid 19 pandemic some services were reduced or paused in order to allow focus to be given to critical prioritised services. This allowed the IJB to deal with the implications of Covid 19 and support a reduction in the spread of the virus by undertaking social distancing and reducing contact with patients and service users. In terms of governance arrangements during the pandemic, the IJB has reported through the business continuity arrangements of both NHS Grampian and Aberdeenshire Council. Governance arrangements were also established within the IJB where the status of service delivery was reported to a daily “bronze” control meeting of the management team. At this meeting agreement was reached on any issues that needed to be escalated and what could be agreed using the delegated authority of the Chief Officer or Partnership Managers. These meetings were documented and supported by a control centre to aid the flow of information.
- 3.5 A draft annual governance statement is attached as 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. Information has been provided by Aberdeenshire Council and NHS Grampian for inclusion in the statement. The paragraph on the internal financial control arrangements has been agreed with the Chief Internal Auditor and further information is contained in Appendix B of the Internal Audit Annual Report.
- 3.6 The Senior Management Team have identified improvements to further strengthen the governance environment and these are identified as an Action Plan in the Annual Governance Statement and will be monitored throughout the financial year. Progress was made in taking forward the Action Plan from 2019/20.

4 Equalities, Financial and Staffing Implications

- 4.1 There are no equalities implications arising from this report.
- 4.2 There are no financial or staffing implications arising from this report.

Alan Sharp
Chief Finance Officer

12 June 2021

Appendix 1

Draft Annual Governance Statement

Introduction

Aberdeenshire Integration Joint Board (IJB) is responsible for adult health and social care services across the Aberdeenshire area. The IJB oversees the Health & Social Care Partnership whose key strategic aim is to achieve sustainable, positive health and social care outcomes for people living in Aberdeenshire through working in partnership with communities.

The IJB's Annual Governance Statement describes the current governance arrangements and reports on the effectiveness of the system of internal control.

Scope of Responsibility

Aberdeenshire Integration Joint Board has a responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used appropriately. The IJB also strives to make arrangements to secure continuous improvement in the way in which its resources are managed, having regard to a combination of economy, efficiency and effectiveness.

To meet this responsibility the Chief Officer has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of policies, aims and objectives. The internal control system is designed to manage risk to a reasonable level but cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

Through the close working relationship with Aberdeenshire Council and NHS Grampian reliance is also placed upon their systems of internal control. These systems support compliance with both organisations' policies and in turn promotes the achievement of each organisation's aims and objectives, to the extent that these are complementary to those of the IJB.

The result of this is a situation where assurances are required on the effectiveness of governance arrangements in three bodies. This means that a significant failure in the internal control environment of one of the three bodies may require to be disclosed in the Accounts of all three bodies and not just the IJB and the body where the issue occurred.

The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated from Aberdeenshire Council and NHS Grampian, representatives from adult health and social care services, carers groups, trade unions and the third sector as well as non-voting members including a Chief Officer appointed by the Board.

The framework developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) entitled 'Delivering Good Governance in Local Government' was updated in 2016 and provides a structured approach to defining the principles that should underpin governance arrangements. Whilst the framework is written specifically for local government, the principles are applicable to integration authorities, and include:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the IJB's capacity, including the capability of its leadership and the individuals within it
- Managing risk and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

The IJB's governance arrangements are consistent with these principles and also reflect the requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016).

The system of corporate governance and internal financial control continues to be based on a framework with appropriate delegation and accountability. This includes the Board's Integration Scheme, Standing Orders, management information, performance and risk management, comprehensive financial management systems, regular and annual financial reports and a periodic review of all financial procedures. Financial Regulations are approved and in place.

The Integration Joint Board has two Committees: an Audit Committee and the Clinical and Adult Social Work Governance Committee.

The governance framework is enhanced by:

- Feedback from the IJB and the Audit Committee carrying out its scrutiny role;
- Interaction and dialogue from Workshop sessions with the IJB and Management Team;
- Internal Audit and External Audit of Aberdeenshire Council, NHS Grampian and the Board;
- Work undertaken by external review bodies including the Care Inspectorate, Health Improvement Scotland and Audit Scotland;
- Input and comment from managers within Aberdeenshire Council, NHS Grampian and the Board; and
- Customer and stakeholder feedback.

Review of Effectiveness

The review of the effectiveness of the governance framework, including the system of internal control, is carried out throughout the year by various means including:

- The Integration Joint Board
Feedback from the Board, the Audit Committee and the Clinical and Social Work Governance Committee carrying out their scrutiny roles;
- Senior Management Team
Assurances from the Senior Management Team (SMT) which includes the Chief Officer, four Partnership Managers, Clinical Lead Officers and the Chief Finance Officer;
- The Chief Officer
Who provides a senior point of overall strategic and operational advice to the IJB. She is also a member of the senior management teams of NHS Grampian and Aberdeenshire Council. This enables the Chief Officer to work with senior management of both organisations to carry out the functions of the IJB in accordance with the Strategic Plan. She is line managed jointly by the Chief Executives of the Council and the Health Board and is accountable to both;
- The Chief Finance Officer
Who has the statutory responsibility for the Board's financial affairs in terms of Section 95 of the Local Government (Scotland) Act 1973. His responsibilities are set out in the Statement of Responsibilities;
- The Chief Social Work Officer
Who provides professional advice to Board members and officers in the provision of Social Work Services. He also has a responsibility for overall performance improvement and the identification and management of corporate risk in so far as these relate to Social Work Services.
- The Standards Officer
Who is responsible for keeping a register of Interests and providing advice in relation to Code of Conduct issues at a local level. The Council's Legal Services Manager has been appointed to this role;
- Internal Audit
In both the Council and NHS Grampian are responsible for the independent audit of all financial and non-financial systems in their respective organisations. Aberdeenshire Council's Chief Internal Auditor provides an Internal Audit service to the IJB; and
- External organisations
That carry out independent audits or inspections of the Board, the Council and NHS Grampian. These include external audit by auditors appointed by the Accounts Commission, inspection of care services by the Care Inspectorate and inspection of health facilities by Health Improvement Scotland.

The IJB has placed reliance on the systems and procedures of its principal Partners, NHS Grampian and Aberdeenshire Council. The Partners have maintained governance arrangements applicable to their respective organisations which are summarised annually and published in their Annual Governance Statements which form part of the annual accounts of each organisation. Extracts from the respective governance statements have been included as part of this statement.

Covid 19 Arrangements

In response to the Covid 19 pandemic, starting from the end of March 2020 and continuing throughout the 2020/21 financial year the Partnership redesigned service delivery in some areas and prioritised critical services to allow it to deal with the implications of Covid 19 and to minimise opportunities for the spread of the virus through social distancing, use of appropriate PPE and minimising contact with service users.

In terms of governance arrangements during the pandemic, the Partnership has reported through the business continuity arrangements that were established by NHS Grampian and Aberdeenshire Council. Governance arrangements were also established in the Partnership where a “bronze” level control room was established with bronze meetings held throughout the year to assess the status of service delivery and risk across all Partnership services. Bronze meetings involved all key service managers and were held on a daily basis at the height of the pandemic. The meetings agreed any issues that needed to be escalated for a wider system response and issues that could be agreed using the delegated authority of the Chief Officer. The meetings were documented and were crucial in aiding the flow of information in response to rapidly developing issues.

These arrangements continued throughout the financial year but were particularly important during the first and second waves of the pandemic when levels of Covid infection were experienced in a number of services. The formal IJB meetings have continued to take place throughout the pandemic. They have been held on Skype instead of taking place physically. Agendas have been lighter than usual with more of a focus on Covid related issues and less of a focus on routine items of business. The IJB Sub Committees (Audit Committee and the Clinical and Social Work Governance Committee) have also continued to meet throughout the year.

The Aberdeenshire IJB has considered the effectiveness of its governance arrangements against the principles set out in the CIPFA/SOLACE Corporate Governance Framework.

Against each of the seven governance principles adopted by the IJB there are key documents, activities, policies and arrangements which help to address these. For the IJB some of these documents belong to NHS Grampian and Aberdeenshire Council given their operational delivery role and the fact that staff have remained employed by the partner bodies.

The seven governance principles recommended in the CIPFA / SOLACE Framework are identified below, along with narrative evidencing compliance with the principle.

Principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The IJB is supported by two committees – the Audit Committee and Clinical and Adult Social Work Governance Committee to promote high standards of member conduct. The Audit Committee reported to the IJB during the 2020/21 year to summarise the business considered during the year. The terms of reference of both Committees have been reviewed during the year.

The vision and commitments of the IJB are clearly set out in the approved Strategic Plan 2020 – 2025.

The IJB has adopted a Code of Conduct which has been formally approved by Scottish Government. The IJB responded to the national consultation exercise to update the Code of Conduct during 2020/21.

The board has a Standards Officer whose duties include advising and guiding Members of the Board on issues of conduct. The Standards Officer ensures the Board keeps Registers of Interest and records of Gifts and Hospitality. At the start of each IJB meeting the Chair asks members to disclose any Declarations of Interest.

In 2018 the IJB approved a number of changes to the Integration Scheme to bring clarity and accuracy to the arrangements since the IJB was established. The changes also reflected current legislation. In 2019/20 a further review has been conducted of the Integration Scheme in line with Scottish Government guidance with draft amendments being proposed. Due to the Covid 19 pandemic, work on approval of these amendments has currently been paused.

Principle 2 – Ensuring openness and comprehensive stakeholder engagement

The IJB is a public board where members of the public and press can attend. Agenda papers and minutes for all board and committee minutes are publicly available in advance of meetings through Aberdeenshire Council's website. During the Covid 19 pandemic formal IJB meetings have been held virtually using Skype. The meetings are recorded and recordings are made available to the public shortly after the meeting. Therefore, Aberdeenshire residents can assess whether they believe that decisions are being taken in the public interest. The Audit Committee is also a public meeting.

Both the voting and non-voting membership arrangements of the IJB are set out in the Integration Scheme and are in line with the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. The non-voting membership comprises six professional members and six stakeholder members representing the following groups: staff, third sector bodies carrying out activities in relation to health and social care, service users and carers. The broad membership of the IJB ensures valued input and engagement from a wide range of stakeholders.

Regulations require that the IJB consults with communities and partners in respect of strategic planning requirements. The Community Empowerment (Scotland) Act 2015 places further statutory duties on IJB's and Community Planning Partners to engage with communities on the planning and delivery of services and securing local outcomes.

Locality planning groups have been established within each of the six local authority areas.

The groups are made up of a range of stakeholders, including health and social care staff, third sector representatives, staff from housing services, community planning, patients and carers. The core purpose of the groups was to ensure wide representation and involvement in the process of developing Aberdeenshire HSCP's first set of locality plans for 2018-21.

The Strategic Plan 2020 – 2025 was approved in December 2019 and involved numerous workshops and development sessions being held and facilitated to ensure appropriate stakeholder engagement during the development of the plan.

There is also an established Joint Staff Forum for the IJB which includes representation from trade union and staff partnership representatives. The forum reviews workforce issues impacting on social care and health staff.

Principle 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits

In March 2021 the IJB considered a report on the revenue budget for 2021/22. The financial outlook for the new financial year addressed the continuing impact of Covid 19 on services, remobilisation of services paused or reduced during the pandemic and the impact of national decisions on items such as pay uplifts. The financial outlook supports the preparation of the Strategic Plan which is underpinned by a Medium Term Financial Strategy and Workforce Plan. The 2021/22 Workforce Plan was submitted in April 2021. The Medium Term Financial Strategy will be refreshed during 2021/22 to reflect the impact of Covid on public sector finances.

The IJB has a Strategic Plan 2020 – 2025 which identifies outcomes and the direction of travel over the next five years. The majority of outcomes are closely linked to how health and social care services will be delivered and improved over the life of the Strategic Plan.

The Climate Change (Scotland) Act 2009 places duties on public bodies relating to climate change, requiring them to contribute to the delivery of the Act's emissions reduction targets, contribute to climate change adaptation and act sustainably. During 2020/21 there has been a significant reduction in emissions from IJB services as more consultations have been carried out virtually and many staff have been working from home. Both of these factors have seen a significant reduction in mileage travelled.

Principle 4 – Determining the interventions necessary to optimise the achievement of intended outcomes

The IJB's decision making process ensures that the members of the Board receive objective and robust analysis of a variety of options indicating how the intended outcomes will be achieved, providing information on the associated risks and opportunities. Public involvement and engagement is undertaken to ensure that feedback from citizens and service users are fully considered when making recommendations regarding service improvements / changes.

During the year there has been a reduced focus on transformation activity as efforts have been directed to responding to the pandemic. Some of the changes that have taken place can be viewed as transformational, such as the move to delivering more services virtually and the development of a redesigned care pathway for Frail & Elderly patients.

The transformation programme is now being refreshed to focus on agreed priorities which can be delivered in the short to medium term. This will make sure that the transformation programme fully aligns with the Strategic Plan 2020-25 and seeks to mainstream "business as usual" projects. Performance indicators are being developed to measure impact and demonstrate meaningful progress. A revised governance framework is also being put in place to oversee transformational work.

Principle 5 – Developing the entity’s capacity, including the capability of its leadership and the individuals within it

During the year the IJB has worked on implementing the actions from the Workforce Plan 2020/21. Most actions are now in place with the exception of the roll out of the “six steps” planning methodology which was put on hold in some areas due to the impact of Covid. The 2021/22 Workforce Plan was submitted to the Scottish Government in April 2021 and we await feedback on it. The IJB’s Workforce Plan sets development of the workforce within the context of the Health and Social Care Partnership Strategic Plan. Its purpose is to ensure that the correct size and right skill mix of workforce needed to support the redesign of services across Aberdeenshire can be delivered and sustained within the available budget.

IJB capacity is further developed and enhanced by having external stakeholders represented on the IJB and many of its working groups.

Training and development for members is provided mainly in the form of briefings and development sessions. Development sessions have been held during 2020/21 and have included briefings on issues such as national reports, local service reviews, health inequalities, risk management and service based strategies.

The Chief Officer represents the IJB on the Scottish Chief Officer group which is called Health and Social Care Scotland (HSCS) and attends specialist groups on behalf of the Chief Officer Group.

During the year many improvement and training activities were postponed as a result of Covid, although the challenging circumstances faced by many staff teams meant that they continued to learn, adapt and improve in order to deal with the serious impact of Covid on services.

Principle 6 – Managing risk and performance through robust internal control and strong public financial management

The IJB has a Strategic Risk Register which is updated on a regular basis. Development sessions during 2020/21 discussed risk with the Board to better understand its appetite for risk. The Strategic Risk Register was reviewed by the Audit Committee during 2020/21. There are also a number of operational risk registers held at Departmental level.

A performance management framework has been developed for the IJB. Performance is also monitored at quarterly sector performance review meetings, where the Chief Executives and senior finance officers from NHS Grampian and Aberdeenshire Council discuss performance and finance matters in a structured meeting with the Chief Officer and Chief Finance Officer. Performance management information is also provided at a national NHS level and also contained within the statutory performance indicators reported by the Council. An annual Performance Report is also required as defined in the legislation (Public Bodies (Joint Working) (Scotland) Act 2014) which underpinned the creation of the IJB. During the year there was an increased need for comprehensive and timely performance information in order to respond to Covid. A daily dashboard of key performance indicators has been developed which now enables managers to access the most up to date information when planning services. Key indicators such as the level of delayed discharges, hospital occupancy, care home status and social work referral trends can now all be accessed on a daily basis.

The internal control system links closely with those of the Partners, given their operational remit for delivery of services under direction of the IJB. The Audit Committee through its consideration of reports monitors the effectiveness of internal control procedures. The IJB Chief Internal Auditor undertakes an annual review of the adequacy of internal controls and the opinion is included within this statement.

The IJB has in post a S95 Officer who is a member of the IJB, providing advice on all financial matters and ensure timely production and reporting of budget estimates, budget monitoring reports and annual accounts.

The IJB has received regular reports on the financial position throughout 2020/21. All finance reports contain a section advising the IJB on the budget implications of agreeing to the recommendations of the report.

Principle 7 – Implementing good practices in transparency, reporting and audit to deliver effective accountability

IJB business is conducted through an approved cycle of Board meetings which are held in public, and the agendas, reports and minutes are available for the public to inspect. There is a standard reporting format in place to ensure consistency of approach and consideration by Members to provide transparency in decision making. In 2020/21 meetings have been held virtually with recordings of the meetings being made available to the public shortly after the meeting date.

The IJB publishes both Annual Accounts and an Annual Performance Report following Board approval. The 2019/20 Annual Accounts received an unqualified audit opinion.

The Audit Committee approved an Internal Audit Plan presented to it by the Chief Internal Auditor. Thereafter, the Chief Internal Auditor reports to the Audit Committee on the delivery of the plan and provides an annual audit report, including the internal audit opinion on the internal controls used by the IJB.

The Audit Committee provides assurance to the Board that appropriate systems of internal control are in place to ensure that: business is conducted in accordance with the law and proper standards; public money is safeguarded and properly accounted for; Financial Statements are prepared timeously, and give a true and fair view of the financial position of the Board for the period in question; and that reasonable steps are being taken to prevent and detect fraud and other irregularities. It has also established a Clinical and Social Work Governance Committee to oversee the assurance around delivery of safe, high quality services.

Chief Internal Auditor Opinion

The Chief Internal Auditor has the responsibility to independently review on an annual basis the adequacy and effectiveness of the IJB's framework of governance, risk management and control.

In his annual report he states that "It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's framework of governance, risk management and control in the year to 31 March 2021.

Whilst issues were identified in audits that have been completed, as reported to the IJB Audit Committee, areas of good practice, improvement, and procedural compliance were also identified.”

Basis of Opinion

The evaluation of the control environment is informed by a number of sources:

- The audit work completed by Internal Audit during the year to 31 March 2021 in relation to the Integration Joint Board and relevant areas within Aberdeenshire Council;
- Progress made with implementing agreed Internal Audit recommendations;
- The assessment of risk completed during the updating of the audit plan;
- Reports issued by the Board’s external auditors;
- Internal Audit’s knowledge of the Board’s and Aberdeenshire Council’s framework of governance, risk management and performance monitoring arrangements; and
- Consideration will be given to the contents of NHS Grampian’s Internal Audit annual report when available.

Partner bodies’ governance arrangements

The Board also places reliance on the governance arrangements that are in place in Aberdeenshire Council and NHS Grampian.

Aberdeenshire Council

Aberdeenshire Council has adopted a Code of Corporate Governance which ensures the accountability and probity of officers of the Council. The Governance Code is consistent with the principles and reflects the requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) as set out in *Delivering Good Governance in Local Government: Framework (2016)*, and the Council’s financial management arrangements conform to the governance requirements set out therein. The Council’s Code of Corporate Governance and the related systems of internal financial control provide reasonable assurance that responsibilities will be met.

On the basis of the Chief Internal Auditor’s report and his review of the Council’s corporate governance arrangements, the Chief Executive of the Council is satisfied that the arrangements provide assurance, are adequate and are operating effectively.

NHS Grampian

NHS Grampian is required to operate within the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health and Social Care Directorates as being applicable to NHS Boards. The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

As Accountable Officer, the Chief Executive is responsible for maintaining an adequate and effective system of internal control that identifies, prioritises and manages the principal risks facing the organisation, promotes achievement of the organisation's aims and objectives and supports compliance with the organisation's policies and safeguarding public funds.

The Board continually monitors and reviews the effectiveness of the system of internal control with a specific focus on the delivery of safe and effective patient care, achievement of national and local targets and demonstrating best value and the efficient use of resources. Key elements of the system of internal control include:

- A Board which meets regularly to discharge its governance responsibilities, set the strategic direction for the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the Executive Directors and Non-Executive members. The Board activity is open to public scrutiny with minutes of meetings publicly available;
- The Board receives regular reports on Healthcare Associated Infection and reducing infection as well as ensuring that health and safety, cleanliness and good clinical practice are high priorities;
- Scheme of Delegation, Standing Orders and Standing Financial Instructions approved by the Board are subject to regular review to assess whether they are relevant and fully reflective of both best practice and mandatory requirements;
- Mature and organisation wide risk management arrangements built on localised risk registers and processes which ensure, as appropriate, escalation of significant instances of non-compliance with applicable laws and regulations;
- Dedicated full time members of staff for key statutory compliance functions including Information Governance, Health and Safety, fire and asbestos, tasked with ensuring they are up to date with all relevant legislation and are responsible for co-ordinating management action in these areas;

- A focus on best value and commitment to ensuring that resources are used efficiently, effectively and economically taking into consideration equal opportunities and sustainable development requirements;
- Consideration by the Board of regular reports from the chairs of the performance governance, engagement and participation, staff governance, clinical governance, audit committee and from the Chair of the Endowment Trustees concerning any significant matters on governance, risk and internal controls;
- Each key governance committee is supported by a designated lead Executive Director who has the delegated management accountability for statutory and regulatory matters. In addition, senior leadership arrangements were strengthened during the year to provide additional capacity and support to the Chief Executive;
- Regular review of financial performance, risk management arrangements and non-financial performance against key service measures and standards by the Performance Governance Committee;
- Regular review of service quality against recognised professional clinical standards by the Clinical Governance Committee;
- Regular review of workforce arrangements and implementation of the NHS Scotland Staff Governance standards by the Staff Governance Committee;
- An active joint management and staff partnership forum with staff side representation embedded in all key management teams and a dedicated full time Employee Director who is a member of the Board;
- Regular review of priorities for infrastructure investment and progress against the agreed Asset Management Plan by an Asset Management Group chaired by a Board Executive Director and including management representatives from all operational sectors and representation from the clinical advisory structure;
- Clear allocation of responsibilities to ensure review development of organisational arrangements and services in line with national standards and guidance including consultation with all stakeholders on service change proposals to inform decision making;
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- Promotion of effective cross sector governance arrangements through participation by the IJB Board members and the Chief Executives of each of the partner organisations in the regular meetings between the Chief Executives of all Public Sector organisations in Grampian and performance review meetings with each IJB Chief Officer to further develop and drive improvement through integrated service delivery;
- A patient feedback service to record and investigate complaints and policies to protect employees who raise concerns in relation to suspected wrongdoing such as clinical malpractice, fraud and health and safety breaches; and

- Separate governance arrangements for the NHS Grampian Endowment Funds including a separate and distinct Chair of the Trustees, elected from within the body of the Trustees, an annual general meeting of all Trustees to agree all policy matters and an Endowment Sub Committee of Trustees with delegated authority to manage the day to day operational matters of the charity.

Based on the evidence considered during the review of the effectiveness of the internal control environment NHS Grampian has confirmed that there are no known outstanding significant control weaknesses or other failures to achieve the standards set out in the guidance on governance, risk management and control.

Action Plan

Following consideration of the review of adequacy and effectiveness, the following action plan has been established to ensure continual improvement of the IJB's governance arrangements and progress against the implementation of these issues will be assessed as part of the next annual review. This will involve:

- Formal approval by the IJB of the draft Medium Term Financial Strategy during 2021/22.
- A formal review of the IJB's Scheme of Governance before December 2021;
- The establishment of a Code of Corporate Governance;
- Consider the effectiveness of governance arrangements when compared to the principles set out in the CIPFA/SOLACE Corporate Governance Framework;
- Implementing the recommendations from internal and external audit and other audits and inspections;
- Support members to carry out their scrutiny function through continuous professional development, awareness and workshop sessions;
- Continued development of the role of the IJB Audit Committee.
- A more co-ordinated approach to internal audit reviews across the Grampian area.
- Review of the current framework for monitoring and reporting of performance.

Conclusion and Opinion on Assurance

In our respective roles as Chair and Chief Officer of the IJB, we are committed to good governance and recognise the contribution it makes to securing delivery of service outcomes in an effective and efficient manner. This annual governance statement summarises the IJB's current governance arrangements and affirms our commitment to ensuring they are regularly reviewed and remain fit for purpose.

Subject to the above, and on the basis of the assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and action plans are in place to progress areas for improvement. Whilst recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Aberdeenshire IJB's governance environment.