



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 27 MAY 2021

SUBJECT: AUDIT, PERFORMANCE AND RISK COMMITTEE ANNUAL ASSURANCE REPORT

BY: CHAIR OF AUDIT, PERFORMANCE AND RISK COMMITTEE

1. REASON FOR REPORT

1.1. To inform the Moray Integration Joint Board (MIJB) of a summary of matters considered and actioned during 2020/21 at the Audit, Performance and Risk Committee (AP&R).

2. RECOMMENDATION

2.1. It is recommended that the MIJB consider and note:

- i) the content of this report;**
- ii) the External Audit Plan attached at APPENDIX 1; and**
- iii) the Strategic Risk Register reviewed by AP&R committee on 25 March 2021 attached at APPENDIX 2.**

3. BACKGROUND

3.1. An effective AP&R Committee is a key element in the governance framework for ensuring a strong governance culture, providing assurance on risk management, performance, audit and internal controls, maintaining effective scrutiny of the MIJB's functions and ensuring consideration of the changes necessary to improve on these arrangements.

3.2. The Committee ordinarily meets on a quarterly frequency, however, for 2020/21 the meeting scheduled for June 2020 did not take place as a result of the impact of and response to the Covid-19 pandemic. Alternative governance arrangements operated during that period, including enhanced decision making powers assigned to the Interim Chief Officer, and at its meeting on the 24 September 2020 (para 15 of the Minute refers) the Board agreed to note the interim arrangements and the plans for meetings for the remainder of the financial year. .

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1. Given the situation outlined above there were three formal meetings of the AP&R Committee. The Chief Internal Auditor reported to each of these meetings providing an update on audit work undertaken.
- 4.2 The audit reports noted the challenges of maintaining levels of audit coverage during the pandemic in terms of access to services and people, whilst the requirement remained in terms of Public Sector Internal Audit Standards to provide assurances on the established systems of governance, risk management and internal control. As such, it was necessary to take a more agile approach to audit planning to glean the necessary audit assurances.
- 4.3 In the context of governance arrangements, these were noted as working effectively from a review of Committee papers for the Board and its sub committees as well as from development sessions. Risk management practice was also evidenced by the regular updating and consideration of the strategic risk register at each meeting of the AP & R Committee.
- 4.4 In respect of internal controls, the main focus was on the key systems covering payroll and creditor payments. Specific testing focused on payments from social care budgets and, for the most part, audit work confirmed the integrity of the systems in place notwithstanding that operational practices had been adapted to accommodate new ways of working. The audit also looked at controls relating to specific systems and expenditure linked to the pandemic including stores, PPE acquisition and distribution, and additional government funding streams made available to support social care providers and service users in need.
- 4.5 Other internal audit projects were paused or slowed, however the circumstances relative to each project were reported to Committee. These projects will remain under review pending capacity being available within services for progress to be made with the implementation of audit recommendations. Learning Disabilities - Commissioning was one area of work where internal audit had previously noted that more required to be done to align contracts with service user need; this was evident from the testing of payments referred to in paragraph 4.4 above, and remains an area to be addressed by management.
- 4.6 Likewise audit reviews of Adaptations (Private and Council Housing) and of the Aids and Equipment store remain 'live' pending full implementation of audit recommendations made, and a suggested audit topic of care homes /residential nursing has been held pending development of a suitable remit for the audit. The scope and timing of this latter review may be influenced by the recently published national review of Adult Social Care in Scotland. .
- 4.7 Separately, a development session considered the work of Internal Audit and how joint working with the Health Board and the Council combine to provide assurances for the MIJB. It was concluded that the Chief Internal Auditor's role is to affirm that the MIJB is operating as intended in terms of discharging its statutory functions, whilst also drawing on assurances provided from the Health Board and from the work of the Council's own audit team when providing the annual assurance option for inclusion with in the MIJB annual accounts.

Opportunities for improved joint working and the provision of assurance on joined up services remains under consideration.

- 4.8 The MIJB receive AP&R Committee minutes routinely throughout the year for information. Key points during the financial year 2020/21 are noted below:
- Considered and noted the performance information from the MIJB for Quarter 4 2019/20 and Quarters 1, 2 and 3 of 2020/21.
 - Considered and noted an update on risks highlighted in relation to staff absence rates and challenges being experienced with recruitment in several services and the action that was being undertaken to try to mitigate the issues.
 - Considered and noted the progress of HSCM in achieving the NHS Scotland Standards for Organisational Resilience and the action plan for 2021/22.
- 4.9 The Strategic Risk Register is a standing item of the AP&R Committee and is reviewed and updated throughout the year by the Senior Management Team. The most recent version of the Strategic Risk Register was presented and noted at the meeting of the AP&R on 25 March 2021 (para 8 of the draft Minute refers) and is attached at **APPENDIX 2**.
- 4.10 Due to the impact of the pandemic on governance arrangements for committee the Annual Performance Report was approved at a special meeting of MIJB on 30 July 2020 (para 8 of the minute refers).
- 4.11 On 25 March 2021 a report by the Chief Financial Officer informed the Committee of the External Auditor's Annual Plan for 2021/22 (para 6 of the minute refers). The plan sets out the scope of the audit work and details the initial risks identified by Audit Scotland and planned work to be undertaken for the audit of the financial statements for year ending 2020/21. The audit plan is attached at **APPENDIX 1** to this report.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan “partners in care” 2019-2029

This report forms part of the governance arrangements of MIJB; good governance arrangements will support the Board to fulfil its objectives.

(b) Policy and Legal

Scottish Governance guidance relating to the Public Bodies (Joint Working) (Scotland) Act 2014 suggests that adequate and proportionate arrangements should be made as an audit provision. The AP&R Committee was established as a Committee of the MIJB to fulfil this obligation.

(c) Financial implications

There are no financial implications associated with this report.

(d) Risk Implications and Mitigation

The strategic risk register is routinely monitored by the senior management team and any changes or issues will be reported to AP&R Committee for consideration.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required as there is no change to policy and procedures resulting from this report.

(h) Consultations

Consultation on this report has taken place with the Chief Officer, the Chief Financial Officer; Chief Internal Auditor and Tracey Sutherland, Committee Services Officer, Moray Council; who are in agreement with the content of this report as regards their respective responsibilities.

6. CONCLUSION

6.1. This report provides a summary of the business addressed by the AP&R Committee throughout the 2020/21 financial year.

Author of Report: Jeanette Netherwood, Corporate Manager

Background Papers: with author

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