



MORAY INTEGRATION JOINT BOARD

AUDIT, PERFORMANCE AND RISK COMMITTEE

Thursday, 19 September 2019

Inkwell Main, Elgin Youth Café

NOTICE IS HEREBY GIVEN that a Meeting of the **Moray Integration Joint Board Audit, Performance and Risk Committee** is to be held in **Inkwell Main, Elgin Youth Café, Francis Place, Elgin, IV30 1LQ** on **Thursday, 19 September 2019** at **13:00** to consider the business noted below.

AGENDA

1 Welcome and Apologies

Chair of Meeting

2 Declaration of Member's Interests

3 Minute of Meeting dated 28 March 2019 **5 - 8**

4 Action Log of Meeting dated 28 March 2019 **9 - 10**

5 Minute of Meeting dated 25 July 2019 **11 - 12**

6 Minute of Meeting dated 1 August 2019 **13 - 14**

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Governance

Report by the Chief Financial Officer

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MORAY INTEGRATION JOINT BOARD
AUDIT, PERFORMANCE AND RISK COMMITTEE

MEMBERSHIP

Councillor Dennis Robertson (Chair)	Executive Board Member, NHS Grampian
Councillor Tim Eagle	Moray Council
Councillor Louise Laing	Moray Council
Mr Sandy Riddell	Non-Executive Board Member, NHS Grampian

NON-VOTING MEMBERS

Ms Elidh Brown	tsiMORAY
Mr Steven Lindsay	NHS Grampian Staff Partnership Representative

ADVISORS

Ms Tracey Abdy	Chief Financial Officer, Moray Integration Joint Board
Ms Pamela Dudek	Chief Officer, Moray Integration Joint Board
Mr Atholl Scott	Chief Internal Auditor, Moray Integration Joint Board

Clerk Name: Caroline Howie
Clerk Telephone: 01343 563302
Clerk Email: caroline.howie@moray.gov.uk



MINUTE OF MEETING OF THE MORAY INTEGRATION JOINT BOARD

AUDIT, PERFORMANCE AND RISK COMMITTEE

Thursday, 28 March 2019

Inkwell Main, Elgin Youth Café, Francis Place, Elgin, IV30 1LQ

PRESENT

Ms Tracey Abdy, Councillor Tim Eagle, Ms Pam Gowans, Councillor Louise Laing, Mr Steven Lindsay, Mr Sandy Riddell, Mr Atholl Scott, Mrs Susan Webb

APOLOGIES

Ms Elidh Brown

IN ATTENDANCE

Ms Heidi Tweedie (substituting for Ms Elidh Brown); Ms Maggie Bruce, Senior Audit Manager, Audit Scotland; Ms Jeanette Netherwood, Corporate Manager; Mr Bruce Woodward, Senior Performance Manager and Mrs Caroline Howie, Committee Services Officer, Moray Council, as clerk to the meeting.

1 Chair of Meeting

The meeting was chaired by Mrs Susan Webb.

2 Declaration of Member's Interests

There were no declarations of Members' interests in respect of any item on the agenda.

3 Minute of Meeting dated 13 December 2018

The minute of the meeting of the Moray Integration Joint Board Audit, Performance and Risk Committee dated 13 December 2018 was submitted and approved.

4 Action Log of Meeting dated 13 December 2018

The action log of the Moray Integration Joint Board Audit, Performance and Risk Committee dated 13 December 2018 was submitted and discussed and it was noted that, other than the following, all actions due had been completed:

- i. Item 4 - Audit Scotland - Update Report on Health and Social Care Integration - self assessment information yet to be received from the Government, therefore to be presented to the next meeting; and
- ii. Item 5 - Payment Verification Assurance Update - not completed, due date moved to next meeting.

5 Quarter 3 (October - December 2018) Performance Report

A report by the Chief Financial Officer updated the Committee on performance as at Quarter 3 (October - December) 2018/19.

The Committee was advised that Delayed Discharges are on the increase, despite ongoing work to reduce this. This had previously been a winter issue but is now an issue all year round.

Discussion took place on the key issues raised, namely Delayed Discharges, Complaints, Sickness Absences, Psychological Therapy Treatment Waiting Times, Smoking Cessation and Alcohol Brief Interventions.

During discussion the Chair requested a report to the next meeting on Delayed Discharges to allow more focus on requirements.

Sickness absence within NHS staff was noted to be consistently red. The Chair requested a report to the meeting in September 2019 as she was of the opinion time would be required to investigate this prior to reporting to Committee.

The Chair stated it would be helpful if the Committee could see further information on the performance reporting developments of Alcohol Brief Interventions and sought a report to the next meeting.

Thereafter the Committee agreed to:

- i. note the performance of local indicators for Quarter 3 (October - December 2018) as presented in the summary report at appendix 1 of the report;
- ii. seek a report on Delayed Discharges for consideration at the meeting in July 2019;
- iii. seek a report on Alcohol Brief Interventions for consideration at the meeting in July 2019; and
- iv. seek a report on NHS staff sickness absence for consideration at the meeting in September 2019.

6 Strategic Risk Register - March 2019

A report by the Chief Officer provided an overview of the current strategic risks, along with a summary of action which are in place to mitigate those risks, updated as at March 2019.

During discussion Committee were supportive of the information provided in the report but was of the opinion that timescales required to be revisited and requested a further report, including updated timescales, be provided to the next meeting.

Thereafter the Committee agreed to:

- i. note the updated Strategic Risk Register; and
- ii. seek a further report, including updated timescales, to the meeting in July 2019.

7 External Audit Plan for the Year Ending 2018-19

A report by the Chief Financial Officer informed the Committee of the Auditor's Annual Plan for 2018/19.

Following discussion the Committee agreed to note the contents of the External Auditor's Annual Plan for 2018/19.

8 Internal Audit Update

A report by the Chief Internal Auditor provided an update on progress towards delivery of the internal audit plan for 2018/19 year and on work being undertaken to inform the 2019/20 programme of internal audit work.

Following discussion the Committee agreed to note the:

- i. contents of the update report; and
- ii. internal audit reporting protocol as outlined in appendix 1 of the report.

9 NHS Grampian Internal Audit Reports

A report by the Chief Internal Auditor informed the Committee of the outcomes from two recent internal audit reports prepared by PricewaterhouseCoopers, the appointed Internal Auditor for NHS Grampian.

Discussion took place on the content of the report and it was stated it was important to be clear on reporting structures for the varying parts of the system. It was further stated that information in respect of staffing should be presented to this Committee, however patient safety information should be dealt with at the Clinical and Care Governance Committee.

Thereafter the Committee agreed to note the findings and recommendations from the internal audit report.



MEETING OF MORAY INTEGRATION JOINT BOARD

Item 4

AUDIT, PERFORMANCE AND RISK COMMITTEE

THURSDAY 28 MARCH 2019

ACTION LOG

ITEM NO.	TITLE OF REPORT	ACTION REQUIRED	DUE DATE	ACTION BY
1.	Action Log of Meeting dated 13 December 2018	Item 4 – Audit Scotland – Update Report on Health and Social Care Integration – self assessment information yet to be received from the Government, to be presented to the next meeting. Item 5 – Payment Verification Assurance Update – not completed, due date moved to next meeting.	Jul 2019 Jul 2019	T Abdy P Morgan
2.	Quarter 3 (October – December 2018) Performance Report	Report on Delayed Discharges to be provided to the next meeting. Report on Alcohol Brief Interventions to be provided to the next meeting. Report on NHS staff sickness absence to be provided in September.	Jul 2019 Jul 2019 Sept 2019	T Abdy T Abdy T Abdy
3.	Strategic Risk Register – March 2019	Further report to the next Committee to include updated timescales.	Jul 2019	P Gowans



MINUTE OF MEETING OF THE MORAY INTEGRATION JOINT BOARD

AUDIT, PERFORMANCE AND RISK COMMITTEE

Thursday, 25 July 2019

Inkwell Main, Elgin Youth Café, Francis Place, Elgin, IV30 1LQ

PRESENT

Ms Tracey Abdy, Ms Elidh Brown, Ms Pam Gowans, Mr Sandy Riddell, Mr Atholl Scott

APOLOGIES

Mr Steven Lindsay, Councillor Dennis Robertson

IN ATTENDANCE

Ms Jeanette Netherwood, Corporate Manager; Ms Jane Mackie, Head of Adult Services; Mr Sean Coady, Head of Primary Care, Specialist Health Improvement and NHS Community Children's Services and Mrs Caroline Howie, Committee Services Officer, Moray Council, as clerk to the meeting.

1 Chair of Meeting

The meeting was chaired by Mr Sandy Riddell.

2 Welcome and Apologies

The Chair advised that due to being the only voting member in attendance the meeting was deemed not quorate and could not therefore proceed.



MINUTE OF MEETING OF THE MORAY INTEGRATION JOINT BOARD

AUDIT, PERFORMANCE AND RISK COMMITTEE

Thursday, 01 August 2019

Meeting Room 3, Dunbarney House, Dr Gray's Hospital,

PRESENT

Ms Tracey Abdy, Ms Pam Dudek, Mr Sandy Riddell, Councillor Dennis Robertson
Councillor Ray McLean (for Councillor Tim Eagle)

APOLOGIES

Ms Elidh Brown, Councillor Tim Eagle, Councillor Louise Laing, Mr Atholl Scott

IN ATTENDANCE

Mr Dafydd Lewis was in attendance, substituting for Mr Atholl Scott.

1 Chair of Meeting

The meeting was Chaired by Councillor Dennis Robertson.

2 Declaration of Member's Interests

There were no declarations of Members' Interests in respect of any item on the agenda.

3 Internal Audit Update

A report by the Chief Internal Auditor provided an update on audit reports issued as part of the delivery of the agreed audit plan for 2018/19.

Following discussion of the audits of the Social Care: Contributions Policy and the Payroll Testing the Committee agreed to note the contents of the update report.

4 Internal Audit - Annual Report

Under reference to paragraph 8 of the Minute of the meeting dated 27 September 2018 a report by the Chief Internal Auditor provided details of internal audit work undertaken relative to the Moray Integration Joint Board (MIJB) for the financial year ended 31 March 2019 and assurances available on which to base the internal audit opinion on the adequacy of the MIJB's systems of internal control.

Committee were advised the Chief Internal Auditor had difficulty accessing NHS systems, however work was ongoing to ensure easier access.

Following discussion the Committee agreed to note the audit opinion based on work undertaken during the 2018/19 year.

5 Annual Performance Report 2018-19

Under reference to paragraph 21 of the draft Minute of the meeting of the Moray Integration Joint Board dated 27 June 2019 a report by the Chief Officer sought approval of the draft Annual Performance Report 2018/19.

Committee were advised that following the addition of pictures and publishing of the report Members would be emailed a link to the final document.

Following discussion and consideration of feedback arising from the consultation process, the Committee agreed to:

- i. note the approach taken to produce the 2018/19 Annual Performance Report;
- ii. note the constraints on reporting of data relating to national indicators identified in paragraph 4.2 of the report; and
- iii. approve the report in appendix 1 of the report to be formatted for publication.



MEETING OF MORAY INTEGRATION JOINT BOARD

Item 7

AUDIT, PERFORMANCE AND RISK COMMITTEE

THURSDAY 1 AUGUST 2019

ACTION LOG

ITEM NO.	TITLE OF REPORT	ACTION REQUIRED	DUE DATE	ACTION BY
1.	Annual Performance Report 2018/19	Format the Annual Performance Report 2018/19 and publish. Email link to published report to Members.	Jul 2019 Aug 2019	J Netherwood J Netherwood



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT PERFORMANCE AND RISK COMMITTEE ON 19 SEPTEMBER 2019

SUBJECT: EXTERNAL AUDITORS' REPORT TO THOSE CHARGED WITH GOVERNANCE

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To request the Audit, Performance and Risk Committee to consider the reports to those charged with governance from the Board's External Auditor for the year ended 31 March 2019.

2. RECOMMENDATION

- 2.1 It is recommended that the Audit, Performance and Risk Committee considers and notes the reports from the External Auditor within Appendices 1 and 2.

3. BACKGROUND

- 3.1 The responsibilities of Audit Scotland as the independent auditor are established by the Local Government (Scotland) Act 1973, the code of Audit Practice (2016), which can be found at https://www.audit-scotland.gov.uk/uploads/docs/report/2016/code_audit_practice_16.pdf and supplementary guidance, and are supported by the auditing profession's ethical guidance.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 The work carried out by Audit Scotland during 2018/19 has produced two reports that are subject to the consideration of those charged with governance. The reports are attached as follows:
- Independent Auditors Report to those charged with governance (**APPENDIX 1**)
 - The Annual Audit Report 2018/19 (**APPENDIX 2**)

- 4.2 The audit opinions expressed were all unqualified and are reported within the 'independent auditors report' included within **APPENDIX 1**.
- 4.3 The Annual Audit Report included at **APPENDIX 2** provides an Action Plan where recommendations for improvement are made, based on the findings of the review. These recommendations have been discussed with management and corresponding actions have been agreed, together with timescales for completion.
- 4.4 The Annual Audit Report provides a summary of the significant audit risks identified during planning. The results and conclusions of this work are noted within the 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 2016 – 2019

The work of the external auditor and the production of these reports for those charged with governance have been completed within the specified timescales agreed.

(b) Policy and Legal

The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the Moray Integration Joint Board (MIJB) is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973.

(c) Financial implications

There are no direct financial implications arising from this report.

(d) Risk Implications and Mitigation

The external auditor, Audit Scotland, through the audit process, provides assurance to the Board that the Annual Accounts for 2018/19 give a true and fair view of the financial position. The Annual Audit Report highlights risks identified during the audit process and recommendations for action which have been agreed by management.

(e) Staffing Implications

None arising directly from this report.

(f) Property

None arising directly from this report

(g) Equalities/Socio Economic Impact

None arising directly from this report as there has been no resultant policy change.

(h) Consultations

Consultation has taken place between Audit Scotland and the Chief Financial Officer of the MIJB in preparation of the Annual Audit Report. Any comments received have been considered in writing this report.

6. CONCLUSION

6.1 The External Auditor has issued an unqualified opinion for the 2018/19 Annual Accounts. The Annual Audit Report, Independent Auditors' Report and the Letter of Representation present the full findings.

Author of Report: Tracey Abdy, Chief Financial Officer
Background Papers: with author
Ref:

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Moray Integration Joint Board
C/O Moray Council
High Street
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19 September 2019

Moray Integration Joint Board Audit of 2018/19 annual accounts

Independent auditor's report

1. Our audit work on the 2018/19 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 19 September 2019. The proposed report is attached at [Appendix A](#).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Integration Joint Board's consideration our draft annual report on the 2018/19 audit. This sets out the issues identified in respect of the annual accounts.
3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.
4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature and request that these misstatements be corrected.
6. We have no unadjusted misstatements to report.

Representations from Chief Financial Officer

7. As part of the completion of our audit, we are seeking written representations from the Chief Financial Officer on aspects of the annual accounts, including the judgements and estimates made.

8. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Chief Financial Officer with the signed annual accounts prior to the independent auditor's report being certified.

APPENDIX A: Proposed Independent Auditor's Report

Independent auditor's report to the members of Moray Integration Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Moray Integration Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of Moray Integration Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is three years. I am independent of Moray Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Moray Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Moray Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Chief Financial Officer and Moray Integration Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Financial Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing Moray Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Moray Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual accounts

The Chief Financial Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have

performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Brian Howarth, Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2019

APPENDIX B: Letter of Representation (ISA 580)

Brian Howarth, Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

19 September 2019

Dear Brian

Moray Integration Joint Board Annual Accounts 2018/19

1. This representation letter is provided in connection with your audit of the annual accounts of Moray Integration Joint Board for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Integration Joint Board, the following representations given to you in connection with your audit of Moray Integration Joint Board's annual accounts for the year ended 31 March 2019.

General

3. Moray Integration Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2018/19 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Moray Integration Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that I am not aware of any uncorrected misstatements.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (2018/19 accounting code), mandatory guidance from LASAAC, and the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of Moray Integration Joint Board at 31 March 2019 and the transactions for 2018/19.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2018/19 accounting code, where applicable. Where the code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Moray Integration Joint Board's circumstances and have been consistently applied.
8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed Moray Integration Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Moray Integration Joint Board's ability to continue as a going concern.

Fraud

10. I have provided you with all information in relation to
 - my assessment of the risk that the financial statements may be materially misstated as a result of fraud
 - any allegations of fraud or suspected fraud affecting the financial statements
 - fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

11. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

12. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2018/19 accounting code. I have made available to you the identity of all Moray Integration Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

13. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

14. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

15. I confirm that the Moray Integration Joint Board has undertaken a review of the system of internal control during 2018/19 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.
16. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2019, which require to be reflected.

Balance Sheet

17. All events subsequent to 31 March 2019 for which the 2018/19 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Chief Financial Officer

Moray Integration Joint Board

DRAFT 2018/19 Annual Audit Report



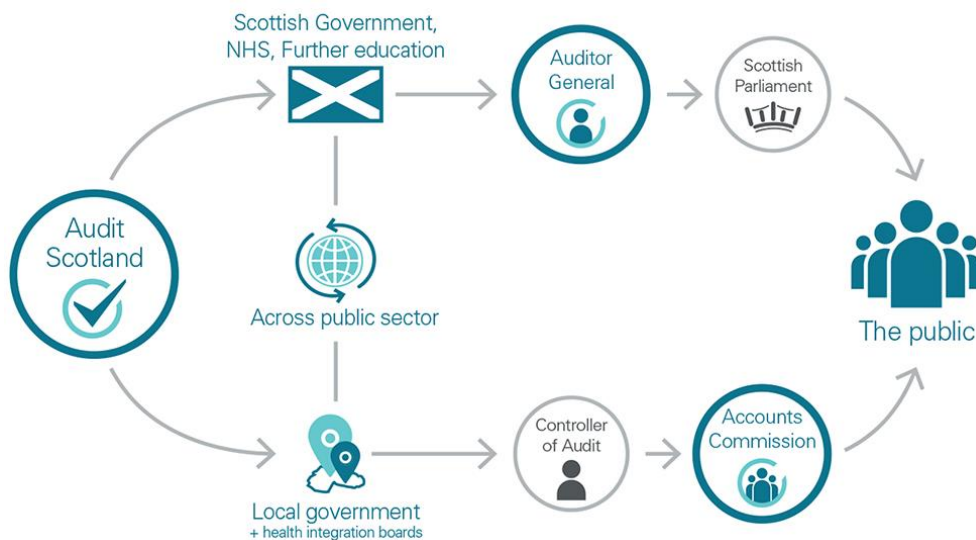
 AUDIT SCOTLAND

Prepared for Moray Integration Joint Board and the Controller of Audit
September 2019

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- the Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- the Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2018/19 annual report and accounts

- 1 Our audit opinions on the annual accounts are all unqualified.

Financial management and sustainability

- 2 The 2018/19 budget was unbalanced, with a £3.3 million (2.8 per cent) gap. 2018/19 expenditure was £0.6 million greater than budget after allowing for deficit-funding of £1.2 million by partner bodies at the year end. The overspend was met by a planned use of reserves. The 2018/19 outturn also includes £1.4 million of strategic funding that has been used to support core services rather than fund strategic development.
- 3 A financial recovery plan has been agreed and appears to be on track to deliver expected savings. A budget has been set for 2019/20 but this includes uncertain savings targets of £3.1 million and relies on the continued use of strategic funds to support core services.
- 4 The IJB does not have a medium- or long-term financial plan.

Governance, transparency and value for money

- 5 A new Strategic Plan is being developed and the IJB has undertaken a self-evaluation review.
- 6 Performance arrangements are effective, and the IJB met or exceeded the majority of the national standards.

Introduction

1. This report is a summary of our findings arising from the 2018/19 audit of Moray Integration Joint Board (the IJB).

2. The scope of our audit was set out in our Annual Audit Plan presented to the Audit, Performance and Risk Committee meeting on 28 March 2019. This report comprises the findings from our main elements of work in 2018/19 including:

- an audit of the IJB's 2018/19 annual accounts including issuing an independent auditor's report setting out my opinion
- consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

Exhibit 1 Audit dimensions



Source: Code of Audit Practice 2016

Adding value through the audit

3. We add value to the IJB, through audit, by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements that have been accepted by management
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides

- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

4. In so doing, we aim to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

5. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The IJB is responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

6. Our responsibilities, as independent auditor appointed by the Accounts Commission, are established by the Local Government (Scotland) Act 1973, the Code of Audit Practice (2016), supplementary guidance, and International Standards on Auditing in the UK.

7. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the appropriateness and effectiveness of the performance management arrangements,
- the suitability and effectiveness of corporate governance arrangements,
- the financial position and arrangements for securing financial sustainability.

8. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

9. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

10. Our annual audit report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

11. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can confirm that we have not undertaken any non-audit related services. The 2018/19 audit fee of £25,000, as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

12. This report is addressed to both the Board and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

13. We would like to thank all management and staff who have been involved in our work for their co-operation and assistance during the audit.

Part 1

Audit of 2018/19 annual accounts



Main judgements

Our audit opinions on the annual accounts are all unqualified.

The management commentary was revised to improve the explanation of the financial outturn and consistency with the financial statements.

The annual accounts are the principal means of accounting for the stewardship of the board's resources and its performance in the use of those resources.

Audit opinions on the annual accounts were unqualified

14. The annual accounts for the year ended 31 March 2019 were approved by the Audit, Performance and Risk Committee on 19 September 2019 (TBC). We reported within the independent auditor's report that:

- the financial statements give a true and fair view and were properly prepared
- the management commentary, annual governance statement, and audited part of the remuneration report were all consistent with the financial statements and properly prepared in accordance with proper accounting practices.

15. Additionally, we have nothing to report in respect of misstatements in other information presented with the financial statements, the adequacy of accounting records or the information and explanations we received.

The annual accounts were submitted on time and the audit was well-supported

16. We received the unaudited annual accounts on 27 June 2019 in line with our agreed audit timetable. The working papers provided with the unaudited annual accounts were of a good standard and the Chief Financial Officer provided good support to the audit team which helped ensure the audit process ran smoothly.

We identified and addressed risks of material misstatement

17. [Appendix 2](#) provides a description of those assessed risks of material misstatement in the financial statements and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks.

We reviewed our planned materiality levels on receipt of the unaudited annual accounts

18. Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. The assessment of what is material is a matter of professional judgement. It involves

considering both the amount and nature of the misstatement. It is affected by our perception of the financial information needs of users of the financial statements.

19. Our initial assessment of materiality for the annual report and accounts was carried out during the planning phase of the audit and is summarised in [Exhibit 2](#). Specifically, regarding the annual accounts we assess the materiality of uncorrected misstatements, both individually and collectively.

20. On receipt of the unaudited annual accounts we reviewed our materiality calculations and concluded that they remained appropriate.

Exhibit 2

Materiality values

Materiality level	Amount
Overall materiality	£1.25 million
Performance materiality	£0.6 million
Reporting threshold	£50,000

Source: Audit Scotland 2018/19 Annual Audit Plan

There are no significant findings from the audit

21. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices covering accounting policies, accounting estimates and financial statements disclosures. There are no significant findings from the audit in accordance with ISA260.

22. There were no material adjustments to the unaudited annual accounts arising from our audit.

Other findings

Amendments were made to the management commentary

23. The management commentary that accompanies the financial statements should clearly explain how a body has performed against its budget and how this is reconciled to the financial statements. It was not clear how the outturn position included in the management commentary in the accounts presented for audit reconciled to the deficit set out in the Comprehensive Income and Expenditure Statement. The Chief Financial Officer has added in additional commentary to explain how these reconcile in the audited financial statements.

Some progress has been made with prior year audit recommendations

24. Three of the six recommendations included in our annual audit report last year have been completed. The remaining three are ongoing. For the actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

Part 2

Financial management and sustainability



Main judgements

The 2018/19 budget was unbalanced, with a £3.3 million (2.8 per cent) gap.



Expenditure was £0.6 million greater than income, after allowing for £1.2 million deficit-funding by additional contributions from partner bodies at the year end. This overspend was met through a planned use of reserves.

The 2018/19 outturn also includes £1.4 million of strategic funding that has been used to support core services rather than fund strategic development.

A financial recovery plan has been agreed during 2018/19 and appears to be on track to deliver expected savings.

A budget has been set for 2019/20 but this includes savings targets of £3.1 million, some of which are uncertain.

The IJB does not have a medium- or long-term financial plan.

Reserves are relatively low and cannot be depended on to support future deficits.

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Quarterly finance reports are presented to Board members

25. Regular finance reports are prepared by the Chief Financial Officer and submitted to the MIJB Board for review quarterly. These reports provide extensive details on the financial position, including the year-to-date position with variance analysis and a forecast outturn position.

The 2018/19 budget was unbalanced, with a £3.3 million (2.8 per cent) gap

26. The MIJB indicative budget was presented to the Board in March 2018 and forecast a shortfall of £4.6 million. A revised budget was presented to the Board on 28 June 2018 which reduced the forecast shortfall to £3.3 million which represented 2.8 per cent of the overall budget. The revised budget included efficiency savings of £1.5 million and a further £0.8 million from remaining reserves.

A financial recovery plan covering the period to 2021/22 was agreed during 2018/19 but there is uncertainty over some of the identified savings

27. In November 2018, the IJB agreed a financial recovery plan with NHS Grampian and Moray Council. This aimed to reduce the 2018/19 funding shortfall and address the underlying overspend on core services in future years and the dependency on slippage on projects, which means that strategic funds have been used to support core services. The financial recovery plan identified potential savings from several service areas but there is some uncertainty over these. For example, savings are anticipated from GP prescribing, but this described as “a volatile area”. The plan also aims to use slippage on projects funded by strategic funds to support core services throughout the period.

In 2018/19 the IJB incurred an overspend of £0.6 million after additional funding of £1.2 million from partner bodies and using strategic funds to support core services (£1.4 million)

28. [Exhibit 3](#) shows how the financial position was reported throughout the year. Financial monitoring reports include transfers from reserves as additional in-year funding. This is inconsistent with the presentation in the financial statements but can be reconciled and should be clearer in financial monitoring reports, as this may disguise the recurrent deficit position. The year-end overspend set out in [Exhibit 3](#) was funded by £1.2 million additional contributions from partner bodies as set out in the Integration Scheme. This provides good evidence of partnership working. The year-end outturn in the financial statements is a net overspend of £0.6 million which was funded from reserves as planned.

Exhibit 3

Financial Monitoring reports showing projected outturn for (over)/underspends

	Core budget forecast (over)/underspend £m	Strategic Funds forecast (over)/underspend £m	Total year end forecast (over)/underspend £m
Quarter 2	(3.0)	1.0	(2.0)
Quarter 3	(3.1)	1.6	(1.5)
Year-end outturn report	(2.6)	1.4	(1.2)
Accounts as at March 2019	-	-	(0.6)

Source: Financial Monitoring Reports taken to the Board during the year & 2018/19 Moray IJB accounts



Recommendation 1

The financial monitoring reports should be reviewed to ensure that the forecast and actual outturns clearly reflect the expected position in the financial statements.

The amount set aside for the acute sector and mental health services increased by £1.2 million during 2018/19

29. The accounts include £11.8 million of 'set aside' expenditure. This represents hospital services that are managed on a day-to-day basis by NHS Grampian Acute Sector or Mental Health Service, but where MIJB has a responsibility for the strategic planning of these services. This figure has increased in 2018/19 by £1.2 million this year due to increases in the number of bed days and direct costs attributed to the IJB by NHS Grampian.

The IJB's 2019/20 budget depends on achieving savings set out in the financial recovery plan, which correspond to themes rather than specific actions

30. The 2019/20 budget of £129 million was approved by the MIJB Board in March 2019. The budget incorporates £1.6 million (1.2 per cent) of savings across the themes identified in the recovery plan. The budget also includes the use of £1.5 million of strategic funds to fund core services. This was presented as a balanced budget. However, there is an element of uncertainty regarding some underpinning savings (see [paragraph 27](#)); the budget sets a target for savings but lacks the detailed actions to achieve these.

Early indications from 2019/20 are that the recovery plan savings are on track

31. The quarter 1 finance report for 2019/20 (presented to the Board in August 2019) identified a total overspend to date of £0.8 million. Service areas reporting the most significant overspend are Community Hospitals (£0.2 million), Older People and Physical Sensory Disability (£0.3 million) and Primary Care Prescribing (£0.3 million).

32. The quarter 1 report does not provide a forecast year-end position, but it does provide an update on the recovery plan. For the period to the end of June 2019, £0.4 million of core budget savings were expected to be realised. The report states that this has been exceeded by £0.2 million but also identifies areas where savings targets have not been achieved, most notably in Community Hospitals. As indicated in [paragraph 27](#), the financial recovery plan incorporates anticipated slippage on projects funded by strategic funds. This accounts for around half (£1.5 million) of the total savings target for 2019/20 of £3.1 million. No information on strategic funds is presented in the quarter 1 report.

The partner bodies have sound systems of internal control in place

33. MIJB does not have any financial systems of its own. Instead it relies on the financial systems of the partner bodies to record all transactions. The key financial systems which the IJB relies on include general ledger, trade payables, trade receivables and payroll.

34. As part of our audit approach we sought assurances from the external auditor of NHS Grampian and Moray Council (in accordance with ISA 402). Some control weaknesses were identified within the Moray Council and the auditors undertook additional audit procedures to obtain the assurances required for their audit opinions. This did not identify any issues.

Internal audit conforms with the Public Sector Internal Audit Standards

35. The IJB's internal audit function is provided by Moray Council's internal audit team. Internal audit was externally assessed during 2018/19 and was found to 'generally conform' with the Public Sector Internal Audit Standards. The

assessment identified twelve recommendations for improvement, all of which have been accepted by management. We will monitor progress in implementing the agreed actions as part of our 2019/20 audit.

36. We did not place any formal reliance on internal audit reviews in 2018/19, and there were no issues identified by internal audit that impacted on our audit of the IJB's annual accounts.

Standards of conduct and arrangements for the prevention and detection of fraud and error are sound

37. We confirmed that the IJB has a members' code of conduct which was found to be appropriate. The IJB uses the financial systems of the Moray Council and NHS Grampian and so arrangements for the prevention and detection of fraud, bribery and corruption in respect of the financial systems is the responsibility of these organisations. We have received assurances from the auditors of the Moray Council and NHS Grampian (in accordance with ISA 402) that there are no issues of concern.

The IJB does not have a medium- or long-term financial plan

38. Medium- and long-term financial planning is an important part of strong financial management. We reported previously that the IJB does not have a medium- or long-term financial strategy. In August 2018 the Chief Financial Officer presented an initial financial outlook for the next 5 years to the Board. In addition, the financial recovery plan, implemented during 2018/19, covers the period to 2021/22.

39. The IJB is planning to develop a 3 to 5-year financial strategy in conjunction with the Strategic Plan 2019-2029. This will be presented to the Board for approval in October 2019. We will continue to monitor progress in this area as part of our 2019/20 audit.

Reserves are relatively low and cannot be depended on to support future deficits.

40. Last year we reported that the IJB drew down £1.9 million from reserves during 2017/18 and this year it drew down a further £0.6 million which resulted in a closing reserve balance of £0.3 million. This represents 0.2 per cent of the total cost of services in 2018/19 which compares to a target of 2 per cent in the MIJB reserves policy (agreed in January 2019). The ability of the IJB to rely on reserves to meet unforeseen deficits in future years is diminished, placing greater importance on the IJB recovery plan.

Part 3

Governance, transparency and value for money



Main judgements



The IJB operates in an open and transparent manner and governance arrangements are appropriate to ensure adequate scrutiny.

A new Strategic Plan is being developed and the IJB has undertaken a self-evaluation review.

Performance arrangements are effective and the IJB has met or exceeded the majority of the national standards.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information. Value for money is concerned with using resources effectively and continually improving services.

Governance arrangements within MIJB are appropriate to ensure adequate scrutiny

41. The IJB Board meets around eight times a year and is supported by the Audit, Performance & Risk Committee and the Clinical Care & Governance Committee (both meet at least four times a year). The Board comprises six voting members - three from the Moray Council and three representatives of NHS Grampian. They are supported by non-voting members (advisors) from the council, NHS, third sector and the community.

42. The Board underwent significant changes in membership during 2018/19. Based on our attendance at Board and Audit, Performance and Risk Committee meetings and review of agendas and papers, we concluded that the IJB has appropriate arrangements in place that support good governance and scrutiny.

The IJB operates in an open and transparent manner

43. All Board and committee meetings are open to the public and papers continue to be made available on the MIJB website timeously.

MIJB is currently preparing a new Strategic Plan

44. A new Strategic Plan for 2019-2029 is currently being developed and is expected to be approved by the Board in October 2019.

The IJB has undertaken a self-evaluation based on the recommendations in the Ministerial Strategic Group for Health and Community Care report

45. In November 2018, Audit Scotland published its review of Health and Social Care Integration in Scotland. That review was considered by the Ministerial Strategic Group (MSG) for Health and Community Care which developed a number of specific proposals in light of the Audit Scotland recommendations. The MSG

also requested that each health board, local authority and integration joint board should undertake a self-evaluation of their progress in relation to those proposals.

46. Moray IJB's self-evaluation was submitted to the Board in June 2019. Of the 22 local proposals, 11 were assessed as 'established' with the remainder assessed as 'partly established'. Areas assessed as partly established include:

- IJBs must be better empowered to use the totality of resources at their disposal to better meet the needs of their local populations
- clear directions must be provided by the IJB to the Health Board and Local Authority.

Quarterly performance reports are provided to Committee

47. The Audit, Performance and Risk Committee receives quarterly performance reports. These reports use a RAG (red, amber, green) approach to monitor progress against 17 local indicators that are linked to the strategic priorities of the MIJB.

48. Further detail is provided for any indicators marked as red, and updates on any risks which have moved from red status. The quarter 4 report for 2018/19 identified 4 (24 per cent) indicators at red status. These were:

- percentage of new dementia diagnoses who receive 1-year post-diagnostic support
- number of Alcohol Brief Interventions being delivered (includes ABIs in priority and wider settings where data can be aligned to HSCP)
- council sickness absence (percentage of Calendar Days Lost)
- percentage of patients commencing Psychological Therapy Treatment within 18 weeks of referral

The annual performance report still isn't meeting requirements

49. The Public Bodies (Joint Working) (Scotland) Act 2014 requires that an annual performance report is completed within four months of the year end. Last year we identified that the 2017/18 performance report was not published on time and it did not contain financial performance analysed by locality. Our review this year confirms that these points have still to be addressed.

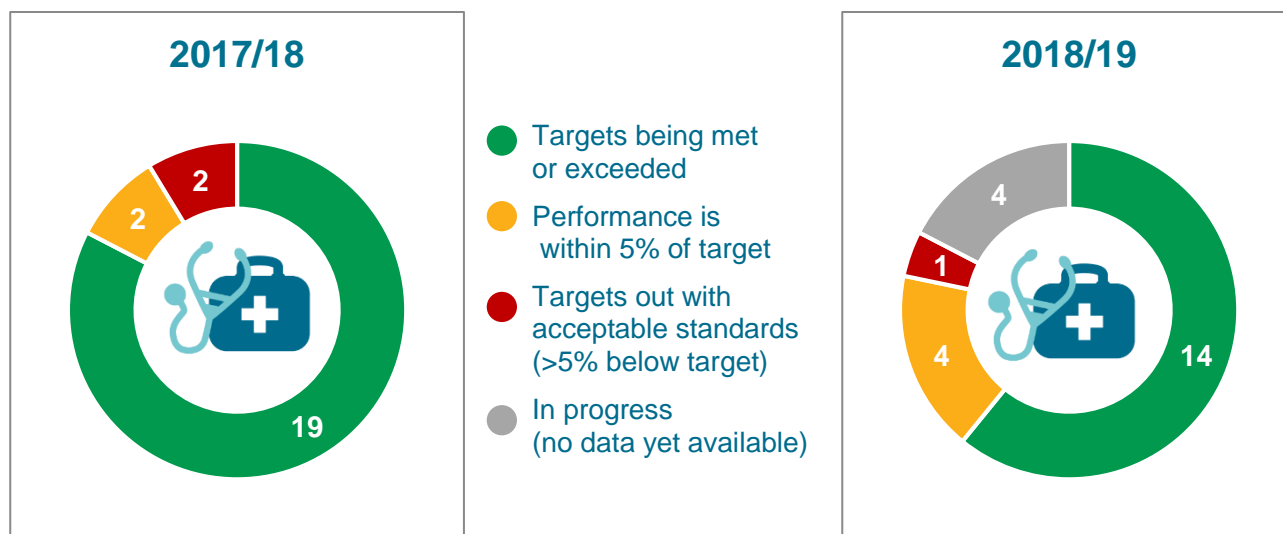
50. We have been advised that this remains a priority for development and that the IJB has recently approved a revised management structure that will support the move towards locality planning.

The IJB met or exceeded the majority of the national standards

51. The IJB's performance against the 23 National Core Indicators is presented in the 2018/19 performance report. This is based on the most up to date information available at March 2019. Some of this information dates back to 2018 as the underlying survey for some indicators is carried out biennially. Although the results from four indicators are currently outstanding, MIJB continues to meet most targets. The only red indicator relates to the number of days spent in hospital by those aged 75 years and over when ready to be discharged. A summary of the indicators is set out in [Exhibit 4](#).

Exhibit 4

Overall performance against National core integration standards



Source: Moray HSCP Annual Performance Reports

Reasonable steps have been taken to prepare for EU withdrawal

52. As the IJB does not directly incur expenditure or employ its own staff, it is heavily dependent on the preparations of NHS Grampian and the Moray Council to mitigate the risks associated with EU withdrawal. We have taken assurance from the conclusions reported by the external auditors of both bodies confirming that they are making reasonable preparations for EU withdrawal. On this basis, we have no specific risks to highlight.

Other national performance audit reports

53. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2018/19 we published some reports which may be of interest to the IJB as outlined in [Appendix 3](#).

Appendix 1

Action plan 2018/19



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Financial monitoring reports</p> <p>The financial monitoring reports treat transfers from reserves as additional in-year funding. This is inconsistent with the presentation in the financial statements. The year-end financial monitoring reports an overspend of £1.2 million compared to a deficit of £0.6 million in the financial statements.</p> <p>Risk: the financial position of the IJB is unclear.</p>	<p>The financial monitoring reports should be reviewed to ensure that the outturn clearly reflects the expected position in the financial statements.</p>	<p>Financial reports to the IJB will be reviewed to ensure clarity in respect of the expected position in the financial statements.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Agreed date: 30 November 2019</p>

Follow up of prior year recommendations

17/18 (1)	<p>Notice of public right to inspect and object to accounts</p>	<p>In 2018/19 the IJB should publish the notice of public right to inspect and object to the accounts on its website within the required timescale.</p>	<p>Completed</p> <p>Notifications were placed on the MIJB and Moray Council websites as well as local newspapers.</p>
17/18 (2)	<p>Budget setting/financial sustainability</p>	<p>The 2018/19 budget shortfall should be addressed to allow the IJB to balance its budget, or a recovery plan must be agreed with NHS Grampian and Moray Council.</p>	<p>Completed</p> <p>MIJB put in place a financial recovery plan in November 2018 which contributed towards a reduced overspend, but additional contribution was still required from partner bodies. A balanced budget has been agreed for 2019/20 but achievement of this will require ongoing management of the recovery plan and financial pressures.</p>
17/18 (3)	<p>Medium- and long-term financial planning</p>	<p>A long-term financial strategy (5 years +) supported by clear and detailed financial plans (3 years +) should be prepared. This is increasingly important as demand pressures increase financial settlements</p>	<p>Outstanding</p> <p>The MIJB intends to develop a medium term (3-5 year) financial strategy to support the new Strategic Plan which is due to be approved in</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
		continue to reduce and fundamental service redesign over a longer time frame becomes necessary. Plans should set out scenario plans (best, worst, most likely).	<p>October 2019. We will continue to monitor progress with medium to long term financial planning as part of our 2019/20 audit.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Agreed date: 31 October 2019</p>
17/18 (4)	External assessment of Internal Audit	An external assessment of the internal audit function should be undertaken, and the results reported to the IJB.	<p>Completed</p> <p>The external assessment was completed in February 2019 and concluded that the council's internal audit service 'generally conforms' with the PSIAS. The assessment identified twelve recommendations for improvement all of which have been accepted by management.</p>
17/18 (5)	Register of Interests	All voting, non-voting and co-opted members should update their register of interests at least annually and these should be made available on IJB's website.	<p>Outstanding</p> <p>The registers of interest available on the IJB's website are still not all up to date.</p> <p>Responsible officer: Chief Officer</p> <p>Agreed date: 30 November 2019</p>
17/18 (6)	Annual Performance Report	<p>The annual performance report should be published in accordance with the timescale as set out in the 2014 regulations.</p> <p>The contents of the annual performance report should be improved to include information about financial performance analysed by locality.</p>	<p>Outstanding</p> <p>Our review this year confirms that these points have still to be addressed.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Agreed date: During 2019/20</p>

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Risk of management override of controls</p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<p>Service auditor assurance was obtained from the auditors of Moray Council and NHS Grampian.</p> <p>All movements of funds between IJB and partner bodies were confirmed to management accounts and representations by partner bodies.</p> <p>Conclusion: We did not identify any incidents of management override of controls.</p>
Risks identified from the auditor's wider responsibility under the Code of Audit Practice		
<p>2 Financial management and sustainability</p> <p>The 2018/19 budget agreed by the IJB in March 2018 identified a funding shortfall of £4.6 million. This gap was subsequently reduced to £3.3 million, at the end of June, following the identification of additional savings of £0.5 million and the use of all of the IJB's reserves (£0.8 million). This represented an unbalanced budget which was underpinned by partner deficit funding in line with the integration scheme.</p> <p>In November 2018, the IJB agreed a financial recovery plan with NHS Grampian and Moray Council aimed at reducing the 2018/19 funding shortfall and addressing the underlying overspend on core services in future years.</p>	<p>Progress has been made during 2018/19 through enhanced scrutiny and restrictions in relation to expenditure. This has been positive in reducing the forecast deficit (after use of reserves) for the year.</p> <p>The Recovery Plan has been agreed by partners and the risks inherent in the plan have been highlighted to members of the IJB. To further address this, the Senior Management Team will be conducting service reviews to ensure strategic priorities can be delivered within the financial framework.</p> <p>The medium-term financial strategy will be aligned to the new Strategic Plan and presented to the IJB in June 2019 as part of a suite of reports addressing transformation. It is acknowledged by IJB members that this should be</p>	<p>After receiving deficit funding of £1.2 million from partner bodies and allowing for slippage of £1.4 million on strategic funds, the IJB recorded an overspend of £0.6 million in 2018/19. This was met by a planned transfer from reserves. The closing reserves balance (£0.3 million) represents 0.2 per cent of cost of services, which diminishes the ability of the body to use these funds to meet future overspends.</p> <p>The financial recovery plan highlighted actions to address the forecast overspend and measures taken in 2018/19 resulted in further savings of £0.2 million. The plan covers the period to 31 March 2021.</p> <p>A budget has been set for 2019/20 but successful achievement of this is dependent upon meeting savings targets set out in the recovery plan and managing significant financial pressures. There is uncertainty</p>

Audit risk	Assurance procedure	Results and conclusions
<p>In February 2019, the Chair of the IJB wrote to the chief executives of its partner bodies to advise that a £1.5 million deficit (after the use of reserves) was being forecast for 2018/19 and that this would require to be funded by NHS Grampian (63%) and Moray Council (37%).</p> <p>We have previously reported that the IJB has yet to develop medium to long term financial plans. Although the financial recovery plan covers the period 2019/20 to 2021/22, it only sets out projected savings to recover the underlying deficit on core services and does not include any additional budget pressures.</p> <p>There is a risk that:</p> <ul style="list-style-type: none"> • the recovery plan is not robust, and the required savings are not realised • the IJB is not planning adequately over the medium to long term to manage or respond to significant financial risks. 	<p>considered in the context of longer-term financial planning.</p>	<p>over the achievement of some of these savings.</p> <p>Conclusion: Financial management is adequate but the short-term financial sustainability of the IJB is uncertain based on savings targets, planned use of strategic funds to support core services and relatively low levels of reserves.</p>

Appendix 3

Summary of national performance reports 2018/19

 2018/19 Reports		
Local government in Scotland: Challenges and performance 2018		Apr
Councils' use of arm's-length organisations		May
Scotland's colleges 2018		Jun
		Jul
		
Forth Replacement Crossing		Aug
		
Children and young people's mental health		Sept
		
NHS in Scotland 2018		Oct
Health and social care integration: update on progress		Nov
		
		Dec
		Jan
		Feb
		Mar
		Local government in Scotland: Challenges and performance 2019

Reports relevant to Integration Joint Boards

[Local government in Scotland: Challenges and performance 2018](#) – April 2018

[Councils' use of arm's-length organisations](#) – May 2018

[Children and young people's mental health](#) – September 2018

[NHS in Scotland 2018](#) – October 2018

[Health and social care integration: update on progress](#) – November 2018

[Local government in Scotland: Financial overview 2017/18](#) – November 2018

[Local government in Scotland: Challenges and performance 2019](#) – March 2019

Moray Integration Joint Board

DRAFT 2018/19 Annual Audit Report

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REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 19 SEPTEMBER 2019

SUBJECT: 2018/19 AUDITED ANNUAL ACCOUNTS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To submit to the Audit, Performance and Risk (APR) Committee the Audited Annual Accounts for the year then ended 31 March 2019.

2. RECOMMENDATION

- 2.1 **It is recommended that the APR Committee consider and approve the Audited Annual Accounts for the financial year 2018/19.**

3. BACKGROUND

- 3.1 The Unaudited Annual Accounts for 2018/19 were submitted to the meeting of the Moray Integration Joint Board (MIJB) on 27 June 2019 prior to submission to external audit (paragraph 16 of the Minute refers).
- 3.2 The Annual Accounts have been prepared in accordance with International Financial Reporting Standards and the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014 and the Local Government in Scotland Act 2003.

4 KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 The audit undertaken by the Board's External Auditors, Audit Scotland is now complete. The External Auditors have expressed unqualified opinions in respect of the financial statements, the remuneration report, the management commentary and the annual governance statement. The 'Independent Auditor's Report to the Members of the Moray Integration Joint Board and the Accounts Commission is included within the audited Annual Accounts and can be found on page 29. The audited Annual Accounts are attached at **Appendix 1.**

- 4.2 The audit process highlighted changes to be made to the accounts which in the main were presentational and in parallel with expectation following external audit inspection.
- 4.3 The Auditor's Annual Audit Report to the MIJB and the Accounts Commission is the subject of a separate report to this meeting. The report sets out the responsibilities of Audit Scotland as the independent auditor and presents a summary of the findings arising from the 2018/19 audit. The report confirms there are no unadjusted misstatements in the annual accounts to report to those charged with governance.
- 4.4 The Audited Annual Accounts are presented to this meeting for consideration and approval. Thereafter, the accounts will be signed by the Chief Officer, Chief Financial Officer and the Chair of the Board. The signed accounts must be submitted to and signed by Audit Scotland no later than 30 September 2019.

5 SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

The Audited Annual Accounts have being completed within the statutory timescales and are being presented for consideration and sign off.

(b) Policy and Legal

The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the MIJB is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973.

(c) Financial implications

The adjustments and revisions made to the Annual Accounts following the external audit had no financial impact on the MIJB.

(d) Risk Implications and Mitigation

There are no risk issues arising directly from this report. The work undertaken by Audit Scotland provides assurance to the Board that the Annual Accounts for 2018/19 give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the MIJB as at 31 March.

(e) Staffing Implications

None arising directly from this report.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

None arising directly from this report as there is no resultant change in policy.

(h) Consultations

In preparation of the Annual Accounts, consultations have taken place between finance staff of both Moray Council and NHS Grampian who are in agreement within their areas of responsibility. The Chief Officer has been consulted and comments have been considered.

6 CONCLUSION

6.1 Following a completed external audit process and an unqualified opinion being received. The Audited Annual Accounts are presented for signature.

Author of Report: Tracey Abdy, Chief Financial Officer
Background Papers: With author
Ref:

Moray Integration Joint Board



Annual
Accounts  for the year ended
31 March 2019
Page 55

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إذا كنتم في حاجة إلى معلومات من قبل مجلس موراي وتكون بلغة مختلفة أو على شكل مختلف مثل البراي، أسطوانة أوديو أو أن تكون مطبوعة باستعمال حروف غليظة فالرجاء الإتصال بـ

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اگر آپ کو مورے کونسل سے کسی دیگر زبان یا صورت میں معلومات درکار ہوں مثلاً "بریلے، آڈیو ٹیپ یا بڑے حروف، تو مہربانی فرما کر رابطہ فرمائیں:



Chief Financial Officer to the Moray Integration Joint Board, High Street, Elgin, IV30 1BX



01343 563125



accountancy.support@moray.gov.uk

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MORAY INTEGRATION JOINT BOARD MEMBERS

Voting Members

Cllr. Shona Morrison (Chair)	Moray Council
Jonathan Passmore (Vice-Chair)	The Grampian Health Board
Sandy Riddell	The Grampian Health Board
Susan Webb	The Grampian Health Board
Cllr. Tim Eagle	Moray Council
Cllr. Louise Laing	Moray Council

Non-Voting Members

Pamela Gowans	Chief Officer
Tracey Abdy	Chief Financial Officer
Jane Mackie	Chief Social Work Officer
Linda Harper	Lead Nurse
Dr Malcolm Metcalfe	Deputy Medical Director
Dr Lewis Walker	Registered Medical Practitioner
Dr Graham Taylor	Registered Medical Practitioner
Elidh Brown	tsiMoray
Val Thatcher	Public Partnership Forum Representative
Ivan Augustus	Carer Representative
Steven Lindsay	The Grampian Health Board Staff Partnership Representative
Tony Donaghey	UNISON, Moray Council

Co-Opted Members

Sean Coady	Head of Primary Care
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MANAGEMENT COMMENTARY

The Role and Remit of the Moray Integration Joint Board

The Public Bodies (Joint Working) (Scotland) Act 2014 requires that Moray Council and the Grampian Health Board prepared an Integration Scheme for the area of the local authority detailing the governance arrangements for the integration of health and social care services. This legislation resulted in the establishment of the Moray Integration Joint Board (MIJB) that became operational from 1 April 2016.

Moray Council and Grampian Health Board, as the parties to the Integration Scheme, each nominate three voting members to the MIJB. Three elected members from Moray Council and three Grampian Health Board members (one executive and two non-executives).

Under the Public Bodies (Joint Working) (Scotland) Act 2014, a range of health and social care functions have been delegated from Moray Council and Grampian Health Board to the MIJB who has assumed responsibility for the planning and operational oversight of delivery of integrated services. MIJB also has a role to play in the strategic planning of unscheduled acute hospital based services provided by Grampian Health Board. The associated budgets for these services continue to be managed on a day to day basis by the Grampian Health Board Acute Sector. However, MIJB has an allocated budget 'set aside' of £11.765m, designed to represent the consumption of these services by the resident population of Moray. The 3 IJB's that fall within the Grampian Health Board area are responsible for the strategic planning of these services in partnership with the Acute Sector with the overall aim being to shift the balance of care by reducing unnecessary, unplanned emergency admissions to hospitals whilst having alternative community arrangements that prevent this from happening.

Hosted services form part of the MIJB budget. There are a number of services which are hosted by one of the 3 IJB's within the Grampian Health Board area on behalf of all IJBs. Responsibilities include the planning and operational oversight of delivery of services managed by one IJB on a day to day basis. MIJB has responsibility for hosting services relating to Primary Care Contracts and the Grampian Medical Emergency Department (GMED) Out of Hours service.

Key Purpose and Strategy

The main purpose of Integration is to improve the wellbeing of people who use health and social care services, particularly those whose needs are complex and involve support from health and social care at the same time. In recent years there has been increasing recognition that health and social care services for the population of Scotland will need to change in order to meet demands and expectations through early intervention and prevention. Demographics, economics and increasing care complexities are all factors that have been considered when looking at how services will be planned, co-ordinated and delivered effectively. The ultimate aim is that through integrating the design and delivery of our services we will achieve the nine National Health and Wellbeing Outcomes as prescribed by the Scottish Ministers. On a local level, the MIJB sets the direction and strategic intent through the development and implementation of the Strategic Plan and seeks assurance on the management and delivery of services through Board level performance reporting which ensures an appropriate level of scrutiny and challenge. The current Strategic Plan identified priority areas to support strategic direction and vision. These were as follows:

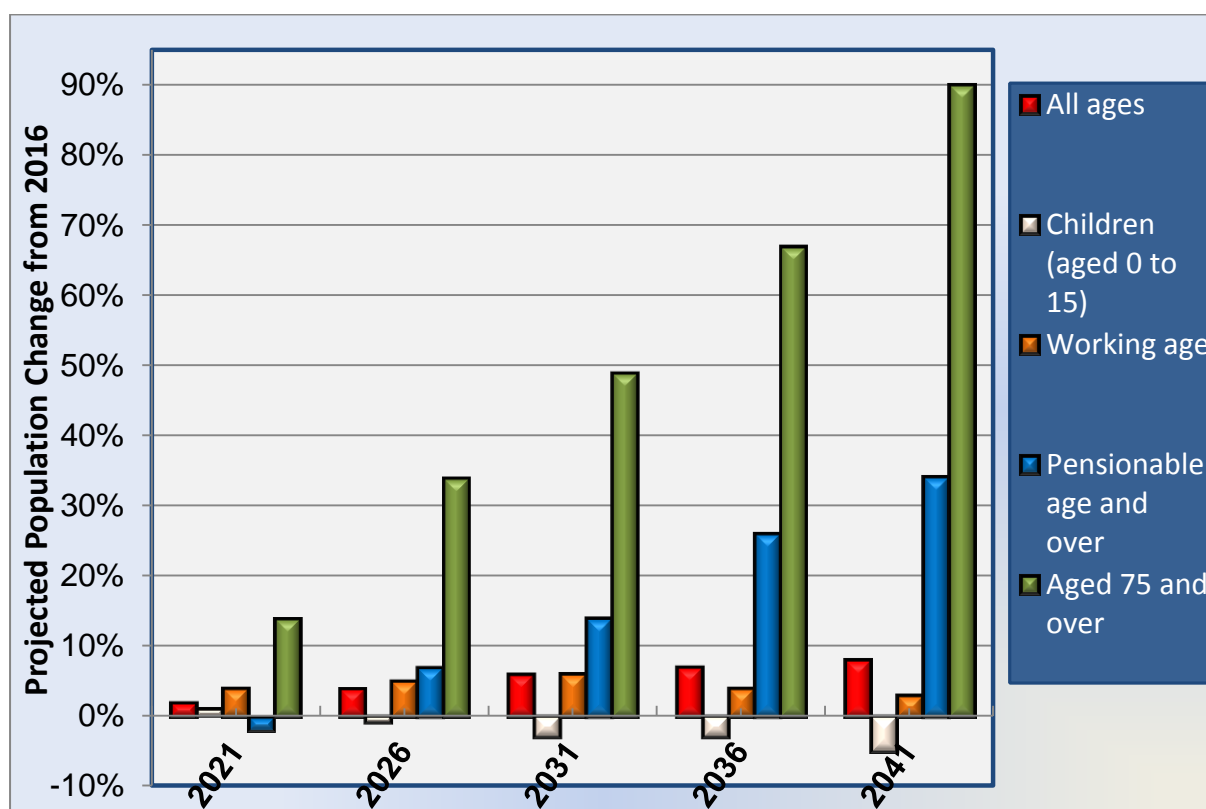
MANAGEMENT COMMENTARY (continued)

STRATEGIC PRIORITIES

- More people will live well in their communities
- Infrastructure and Redesign
- Invest in a seamless workforce to support the aim of enabling people
- Technology enabled care will be considered at every intervention
- Carers continuing their caring role whilst maintaining their own health & wellbeing
- Relationships will be transformed to be honest, fair and equal

Population

Moray's population has grown significantly in the past 20 years from 87,160 in 1997 to an estimated 95,520 in 2018; an increase of 9.6%. The population of Moray is growing faster than the national rate, and has experienced the 11th highest rate of growth amongst the 32 Scottish local authorities. In addition to this growth the demography has also changed markedly over the past 20 years. The most significant population growth over the next two decades is projected to occur amongst older adults. The table below sets out projected population growth based on a 2016 baseline.¹ There is a projected reduction in children, limited change in the working age population, but significant growth in adults of pensionable age, including a near doubling of those aged 75 and over by 2041. The graph below illustrates the % change expected across the main population groups.

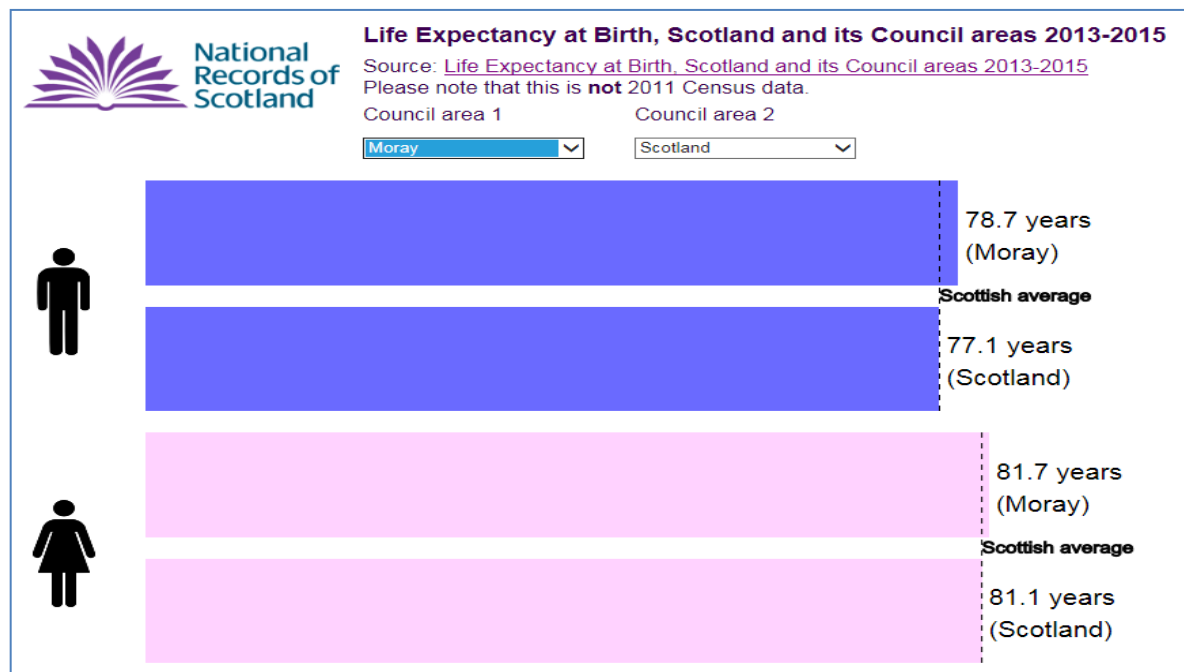


¹ <https://www.nrscotland.gov.uk/files/statistics/population-projections/sub-national-pp-16/tables/pop-proj-principal-2016-all-tabs.xlsx>

MANAGEMENT COMMENTARY (continued)

Life Expectancy

Typically, people in Moray of both sexes have a greater life expectancy at birth than their counterparts across Scotland.



2

Life expectancy at birth, comparison between Moray and Scotland 2013-15 (NRS)

- Females in Moray have 3 years greater life expectancy than males on average
- Males in Moray have 1.6 years greater life expectancy than males in Scotland, on average
- Males in Moray have 7 months greater life expectancy than females nationally, on average

The MIJB, has commissioned a strategic needs assessment to support the development of the next iteration of the Strategic Plan in order to consider its priorities in respect of population trends and life expectancies of the people of Moray.

Performance is reported quarterly to the Audit, Performance and Risk Committee of the MIJB. In addition to the quarterly reporting, there is a requirement under the Public Sector (Joint Working) (Scotland) Act 2014 for the MIJB to produce and publish an Annual Performance Report setting out an assessment of performance in planning and carrying out the delegated functions for which they are responsible. The Annual Performance Report is due to be published by 31 July each year.

² <https://www.scotlandscensus.gov.uk/NRSinteractivedata/Lifeexp/lifeexp2013-2015.html>

MANAGEMENT COMMENTARY (continued)

One of the major aims of integration and a key measurable target for MIJB is to reduce the number of Moray residents that are ready to be sent home from hospital but have been delayed in this process. This is referred to as a 'delayed discharge'. Delayed discharge can occur due to a number of reasons but quite often involves the onward provision of social care which can be complex in nature. The table below notes performance over a two year period showing the number of delayed discharge bed days occupied per 1000 adults dropping from 50 in April – June 2017 to 37 in March 2019. However, the trend is not linear and this remains an area of high operational priority.

Number of Bed Days Occupied by Delayed Discharges per quarter (inc code 9) per 1000 18+ population			
Apr – Jun 18	Jul – Sept 18	Oct – Dec 18	Jan – Mar 19
42	45	41	37
Apr – Jun 17	Jul – Sept 17	Oct – Dec 17	Jan – Mar 18
50	31	30	38

In relation to occupied bed days it is encouraging to note that the rate of emergency occupied bed days for over 65's per 1000 population has reduced every quarter from April – June 2017 to January – March 2019. A contributing factor is increased expertise around older people in Dr Gray's and the community hospitals, with the aim of no delays, getting people home quickly and ensuring they maintain their independence, this new target operating model that continues to evolve has had significant results pertaining to bed day use.

Rate of Emergency Occupied Bed Days for over 65's per 1000 Population			
Apr – Jun 18	Jul – Sept 18	Oct – Dec 18	Jan – Mar 19
2380	2375	2344	2274
Apr – Jun 17	Jul – Sept 17	Oct – Dec 17	Jan – Mar 18
2558	2531	2495	2444

Another local indicator is 'Accident & Emergency percentage of people seen within 4 hours, within community hospitals'. MIJB has retained 100% performance during 2018/19 against this target.

Woodview Development

The Woodview housing development, Lhanbryde continues to demonstrate major achievement in relation to transformational change. The development which was completed and registered with the Care Inspectorate in 2017, consists of 8 bungalows, a communal area and staff office and is designed to support people with autism and challenging behaviour with their own tenancies, creating a positive impact on quality of life. During 2018/19 all 8 of the bungalows became occupied. In September 2018 the Care Inspectorate completed its first inspection of this housing support service resulting in no requirements or recommendations.

MANAGEMENT COMMENTARY (continued)



Care Inspectorate Findings – Sept 18

- Quality of Care & Support
5 – Very Good
- Quality of Staffing
4 – Good
- Quality of Management and Leadership
4 – Good

Boogie in the Bar – has continued to support older people in Moray to increase their physical activity through these day time events. In March 2019 Health and Social Care Moray were presented with the Age Scotland Patrick Brooks Award for Best Partnership Work 2019 which is awarded for partnership working between two or more groups or organisations that have made an outstanding contribution to addressing the needs of older people. There has now been over 600 people attend these events, raising over £1,000 which has been reinvested in local community groups who volunteer their support at the daytime discos. The discos enable health and wellbeing campaigns to be highlighted at the events, which to date have included Falls Prevention, Health Heart, Dementia Awareness, Unpaid Carers, Sexual Health, Benefits of Walking and Making Every Opportunity Count.

In March 2019 Health and Social Care Moray were awarded the Age Scotland Patrick Brooks Award for Best Partnership Work for the Boogie in the Bar discos.



MANAGEMENT COMMENTARY (continued)

Volunteer Development

The Scottish Government vision for Scotland is one where every one of its people can contribute towards, and benefit from, making Scotland a better place to live and work; where volunteering is an integral element of this and is valued and recognised across all sectors as an expression of an empowered people and a force for change; and where anyone who wants to volunteer can do so readily. In Moray, with limited workforce and finance we have managed to address the number of requests for volunteers at a steady rate. When the service started in 2012 there had been 88 requests for volunteers over an 8 month period. By 2018, this had expanded to 168 requests over an 11 month period.

To celebrate 'Volunteers Week' a Tea Party was held in Elgin Town Hall in June 2018 where 100 people attended. The success of the service is celebrated each year through an annual event and the service provided by volunteers is recognised and acknowledged.



Celebrating Volunteers Week at a Tea Party in Elgin Town Hall attended by 100 people. Thanks was expressed by the Convener of Moray Council

Financial Review and Performance

Financial performance forms part of the regular reporting cycle to the MIJB. Throughout the year the Board, through the reports it receives is asked to consider the financial position at a given point and any management action deemed as necessary to ensure delivery of services within the designated financial framework. From the mid-point in the financial year, the Board was presented with financial information that forecast a likely overspend position at the end of the year.

MANAGEMENT COMMENTARY (continued)

The table below summarises the financial performance of the MIJB by comparing budget against actual performance for the year.

Service Area	Budget £000's	Actual £000's	Variance (Over)/ under spend	Note
Community Hospitals	5,349	5,383	(34)	
Community Health	3,640	3,689	(49)	
Learning Disabilities	6,257	6,749	(492)	3
Mental Health	7,286	7,720	(434)	4
Addictions	1,127	1,066	61	
Adult Protection & Health Improvement	148	142	6	
Care Services Provided In-House	15,197	14,427	770	5
Older People Services & Physical & Sensory Disability	16,332	18,038	(1,706)	2
Intermediate Care & OT	1,908	2,197	(289)	
Care Services Provided by External Contractors	9,526	9,597	(71)	
Other Community Services	7,178	7,110	68	
Administration & Management	2,854	2,467	387	
Primary Care Prescribing	16,360	17,354	(994)	1
Primary Care Services	15,759	15,498	261	
Hosted Services	3,978	4,175	(197)	
Out of Area Placements	669	650	19	
Improvement Grants	924	795	129	
Total Core Services	114,492	117,057	(2,565)	
Strategic Funds	2,583	1,211	1,372	
TOTAL EXPENDITURE (before set aside)	117,075	118,268	(1,193)	
IN-YEAR INCOME (before set aside)	(116,228)	(116,485)	257	
DEFICIT FUNDING	-	(1,193)	1,193	
Net Expenditure to be Funded from Reserves	847	590	257	

MIJB's financial performance is presented in the comprehensive income and expenditure statement (CIES), which can be seen on page 33. At 31 March 2019 there were usable reserves of £0.257m available to the MIJB compared to £0.847m at 31 March 2018. Reserves have had to be utilised within the year to address the shortfall in funding and ensure the continuation of services. The remaining reserves of £0.257m have been earmarked for the Primary Care Improvement Plan (£181k) and Action 15 (£76k) as this is Scottish Government ring-fenced funding to support the Primary Care Transformation Programme and Mental Health Strategy respectively. Significant pressures on the budget were notably:

MANAGEMENT COMMENTARY (continued)

Note 1 Prescribing – remains a significant financial pressure facing the MIJB which gave rise to an overspend in year of £0.994m. There was a low volume increase of less than 1%. The overspend reflects the more material impact of volatile external factors affecting prices. National factors include, variance in prices arising from shortage in supply and the timing and impact of generic medicines introduction following national negotiations. Locally, medicines management practices are applied on an ongoing basis to mitigate the impact of external factors as far as possible and to improve efficiency of prescribing both from a clinical and financial perspective.

Note 2 Older Peoples Services & Physical and Sensory Disability – services were overspent by £1.706m as at 31 March 2019. There are variances within this overall budget including an overspend on domiciliary care and client transport. Primarily the overspend can be attributed to a continuing increased demand on services through the ageing population that exists in Moray. The adverse variance within this overall budget heading reflects the shift in the balance of care to enable people to remain in their homes for longer.

Note 3 Learning Disabilities - the Learning Disability service was overspent by £0.492m at the year-end. The overspend is primarily due to the purchase of care for people with complex needs, including young people transferring from Children's services, people being supported to leave hospital and for property adaptations to enable service users to remain in their own homes. Demographics suggest that the number of people with a learning disability will continue to increase, and whilst these people will live longer with more complex needs this creates additional financial pressure in the system.

Note 4 Mental Health – services were overspent at the end of the year by £0.434m. In the main this was due to senior medical staff costs including locums, nursing and other staff. As a result of redesign and efficiency there is an anticipated reduced overspend as the number of medical sessions reduce and the mental health strategy is further implemented

Note 5 Care Services Provided In-House – were significantly underspent in year at £0.770m. This primarily relates to staffing costs in the Care at Home service, Community Support workers and the challenging behaviour unit. There have been difficulties during the year in staff recruitment, however, the level of underspend is not set to continue into the next financial year at the same level.

Set Aside - Included within the CIES is £11.765m for Set Aside services. Set Aside is an amount representing resource consumption for large hospital services that are managed on a day to day basis by the NHS Grampian Acute Sector or Mental Health Service. MIJB has a responsibility for the strategic planning of these services in partnership with the Acute Sector and Mental Health services which are:

- In-patient hospital services provided at Aberdeen Royal Infirmary and Dr Gray's Hospital Elgin for the areas of General Medicine, Geriatric Medicine, Rehabilitation Medicine, Respiratory Medicine, Palliative Care (Roxburghe House Aberdeen) and Accident & Emergency.
- Accident & Emergency attendances at Aberdeen Royal Infirmary and Dr Gray's.
- In-patient psychiatric services at Royal Cornhill Hospital Aberdeen and learning disability services at Elmwood Hospital Aberdeen.

MANAGEMENT COMMENTARY (continued)

The budget allocated to Moray is designed to represent the consumption of these services by the Moray population. In February 2019, the Information Services Division (ISD) provided health boards with updated set aside activity for the 2017/18 financial year. This information can be summarised as follows:

	2018/19	2017/18
Budget	11.765m	10.593m

	2017/18	2016/17
Number of Bed Days and A&E attendances	48,283	48,415

The increase in the set aside budget of £1.172m can be split between:

- An increase of £0.286m being due to the changes in number of bed days
- An increase of £0.886m being due to increases in direct unit costs

Risks, Uncertainties and Future Developments

The MIJB Chief Officer has a responsibility to maintain a risk strategy and risk reporting framework. Risks inherent within the MIJB are monitored, managed and reported at each meeting of the Audit, Performance and Risk Committee. In addition, a risk action log is monitored and managed by the Senior Management Team. Strategic risks are reviewed on a continuous basis with an enhanced focus being placed during 2019/20 as the new Strategic Plan is developed, ensuring continuous and appropriate risk management

The key strategic risks of the MIJB under scrutiny are presented below:

VERY HIGH
There is a risk of MIJB financial failure with demand outstripping available financial resource. Financial pressures being experienced by the Partners will directly impact on decision making and prioritisation of MIJB. A financial Recovery Plan was submitted to the IJB in November after being agreed by the Partners. The delivery of the Recovery Plan is an integral part of the 19/20 budget.
HIGH
The Integration Joint Board (IJB) does not function as set out within the Integration Scheme, Strategic Plan and Schemes of Delegation and fails to deliver its objectives or expected outcomes
Inability to deal with unforeseen external emergencies or incidents is compromised by inadequate emergency planning and resilience.
MEDIUM
Inability to recruit and retain qualified and experienced staff whilst ensuring staff are fully able to manage change.
Inability to demonstrate effective governance and ineffective communication with stakeholders
Risk to MIJB decisions resulting in litigation/judicial review. Expectations from external inspections are not met
Inability to achieve progress in relation to national Health and Wellbeing Outcomes. Performance falls below acceptable level.
Risk of major disruption in continuity of ICT operations and data security is compromised
Requirements for IT and Property are not prioritised by NHS Grampian and Moray Council

MANAGEMENT COMMENTARY (continued)

The MIJB has been operational since 1 April 2016, in what is considered still to be very early days of development, we have the opportunity to continue to refine and embed our governance process as we strive to deliver on the policy objectives set out in the legislation surrounding health and social care integration.

Development Aims for 2019/20

We will continue to develop our Strategic Plan 2019-22 and ensure this is supported by an Implementation Plan, Workforce Plan, Medium Term Financial Strategy and Performance Framework. We will continue to communicate with our stakeholders to ensure inclusion and engagement in developing a Plan that is fit for the future as we strive to achieve systematic and transformational change. In addition we will seek to:

- continue to monitor, evaluate and report on our transformational projects to ensure we remain consistent with our strategic aims;
- continue to develop our performance management framework;
- continue to develop our governance framework;
- embed and report on locality working;
- revise our Primary Care Improvement Plan to reflect the work to be carried out in the period April 2019 to March 2020;
- continue with our change programme in relation to Mental Wellbeing, complete phase 4 of the strategy;
- continue to follow through on the Progression Model established in Learning Disabilities, monitoring the effects of this model on people and the system of health and care;
- continue to work closely with all partners to ensure we maximise potential across the whole health and social care system;
- work closely within the North East Partnership and nationally to realise the potential of the unscheduled pathways and any opportunities to reshape the budget in relation to shifting the balance of care;
- continue to hold an annual event in recognition of the achievements of staff working within Health and Social Care Moray and in sharing best practice; and
- review our Out of Hours model in partnership with the other IJBs in Grampian, to establish a vision for a sustainable service going forward.

.....
Cllr Shona Morrison

Chair of Moray IJB

19 September 2019

.....
Pam Gowans

Chief Officer

.....
Tracey Abdy

**Chief Financial
Officer**

STATEMENT OF RESPONSIBILITIES

Responsibilities of the MIJB

- To make arrangements for the proper administration of its financial affairs and to secure that it has an officer responsible for the administration of those affairs. In Moray Integration Joint Board, that officer is the Chief Financial Officer;
- To manage its affairs to achieve best value in the use of its resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- To approve the Annual Accounts.

I confirm that these Annual Accounts were approved by the MIJB at its meeting of the Audit, Performance and Risk Committee on 19 September 2019.

Signed on behalf of the Moray Integration Joint Board.

Cllr Shona Morrison

Chair of Moray IJB

19 September 2019

STATEMENT OF RESPONSIBILITIES (continued)

Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for the preparation of the Moray Integration Joint Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Annual Accounts the Chief Financial Officer has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation; and
- Complied with the local authority code (in so far as it is compatible with legislation)

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Moray Integration Joint Board for the year ending 31 March 2019 and the transactions for the year then ended.

Tracey Abdy CPFA
Chief Financial Officer
19 September 2019

REMUNERATION REPORT

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014 (SSI2014/200) as part of the MIJB annual accounts. This report discloses information relating to the remuneration and pension benefits of specified MIJB members.

All information disclosed in the tables is subject to external audit. Other sections within the Remuneration Report will be reviewed for consistency with the financial statements.

Moray Integration Joint Board

The voting members of MIJB are appointed through nomination by Moray Council and the Grampian Health Board. There is provision within the Order to identify a suitably experienced proxy or deputy member for both the voting and non-voting membership to ensure that business is not disrupted by lack of attendance by any individual.

MIJB Chair and Vice-Chair

Nomination of the MIJB Chair and Vice-Chair post holders alternates every 18 months between a Councillor and a Health Board non-executive member.

The MIJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the MIJB. The MIJB does not reimburse the relevant partner organisations for any voting member costs borne by the partner.

The MIJB does not have responsibilities in either the current or in future years for funding any pension entitlements of voting MIJB members. Therefore no pension rights disclosures are provided for the Chair or Vice-Chair.

Taxable Expenses 2017/18	Name	Position Held	Nomination By	Taxable Expenses 2018/19
£		£	£	£
Nil	Cllr Shona Morrison	Chair 13/6/18 to Present	Moray Council	Nil
Nil	Jonathan Passmore	Vice-Chair 28/11/18 to Present	Grampian Health Board	Nil
Nil	Cllr Frank Brown	Chair 1/4/18 to 13/6/18	Moray Council	Nil
Nil	Christine Lester	Vice-Chair 1/4/18 to 28/11/18	Grampian Health Board	Nil

Officers of the MIJB

The MIJB does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board.

REMUNERATION REPORT (continued)

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the integration joint board has to be appointed and the employing partner has to formally second the officer to the Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the Board.

Other Officers

No other staff are appointed by the MIJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

Total 2017/18	Senior Employees	Salary, Fees & Allowances	Taxable Expenses	Total 2018/19
£		£	£	£
95,010	Pamela Gowans Chief Officer	97,271	974	98,245
42,680 *FYE 57,232	Tracey Abdy Chief Financial Officer	60,043	125	60,168

*FYE = Full Year Effect

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the MIJB balance sheet for the Chief Officer or any other officers.

The MIJB however has a responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the MIJB. The following table shows the MIJB's funding during the year to support the officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

REMUNERATION REPORT (continued)

	In Year Pension Contributions		Accrued Pension Benefits		
	Year to 31/03/18	Year to 31/03/19		As at 31/03/2019	Difference from 31/03/2018
	£	£		£ 000's	£ 000's
Pamela Gowans Chief Officer	13,915	14,493	Pension	34	4
			Lump Sum	78	3
Tracey Abdy Chief Financial Officer	6,606	8,946	Pension	15	2
			Lump Sum	18	-

Disclosure by Pay bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band 2017/18	Remuneration Band	Number of Employees in Band 2018/19
-	£60,000 - £64,999	1
1	£95,000 - £99,999	1

Exit Packages

There were no exit packages agreed by the MIJB during 2018/19 financial year, or in the preceding year.

.....

Cllr Shona Morrison

Chair of Moray IJB

19 September 2019

.....

Pam Gowans

Chief Officer

ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement describes the Moray Integration Joint Board's (MIJB) governance arrangements and reports on the effectiveness of the MIJB's system of internal control.

Scope of Responsibility

The MIJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. That public money is safeguarded and used efficiently and effectively in pursuit of best value.

Following the passing of the Public Bodies (Joint Working) (Scotland) Act 2014 on 25 February 2014, the framework for the integration of health and social care in Scotland was created. Scottish Government established the Integrated Resources Advisory Group (IRAG) to consider financial and governance matters and issued guidance to assist Health Boards and Local Authorities in preparing for integration. IRAG set out the governance requirements of an integration authority in relation to finance, risk and audit.

In discharging this responsibility, the MIJB has established arrangements for its governance which includes the system of internal control. This system is intended to manage risk and support the achievement of the MIJB's policies, aims and objectives. Reliance is placed on The NHS Grampian and Moray Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives; to the extent that these are complementary to those of the MIJB. The system provides reasonable but not absolute assurance of effectiveness.

The Governance Framework

The CIPFA/SOLACE framework for 'Delivering Good Governance in Local Government' was updated in 2016 and provides a structured approach in defining the principles that should underpin the governance arrangements. Whilst the framework is written specifically for Local Government, the principles are applicable to integration authorities. In reality, the establishment of a governance framework for an integration authority is a complex process as it is required to draw together the governance processes of both the Grampian Health Board and Moray Council as two very distinct and mature organisations into a new and diverse third organisation in the context of being a completely separate entity. The MIJB recognises this complexity and is committed to continuous development of its governance framework through a learning approach whilst acknowledging that governance remains a significant risk.

Given the scope of responsibility within the MIJB and the complexities surrounding the assurance arrangements it was considered appropriate to develop a Local Code of Corporate Governance based on the framework and adopting the principles by which to evaluate performance. In December 2017, the Audit and Risk Committee of the MIJB approved their Local Code of Corporate Governance which is subject to regular review and approval.

The MIJB's Local Code of Corporate Governance outlines the seven governance principles and provides the sources of assurance for assessing compliance against these principles and the origin of these assurances in respect of the MIJB, Moray Council and NHS Grampian.

ANNUAL GOVERNANCE STATEMENT (continued)

MIJB has placed reliance on the systems and procedures of its principal Partners, the NHS Grampian and Moray 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.

The MIJB has assessed the effectiveness of its governance arrangements against the principles set out in the Local Code of Corporate Governance.

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

Assessment of Effectiveness

- Procedures have been established to ensure the MIJB is provided with annual assurance reports from its Audit, Performance and Risk Committee and Clinical and Care Governance Committee. Both Committees reported to the MIJB in April 2018 summarising the business considered during the year. This process does not replace the requirement for specific committee business to be considered by the MIJB as appropriate
- In June 2018 the MIJB were asked to consider a review the Standing Orders that govern proceedings of the Board and its Committees, and which incorporates the Board's Scheme of Administration that deals with the Board's committee structure and working groups. Amendments to the Scheme of Administration were suggested to the Board in order to ensure that committees and supporting groups remain effective in their operation. The Board agreed to the recommendations.
- The Ethical Standards in Public Life etc. (Scotland) Act 2000 creates an ethical standards framework whereby members of devolved public bodies such as the MIJB are required to comply with Codes of Conduct, approved by Scottish Ministers, together with guidance issued by the Standards Commission. Most recently, in March 2019, the MIJB formally nominated for approval by the Standards Commission the re-appointment of its Standards Officer and Depute Standards Officer for a further period of 18 months until October. The Board approved the re-appointment.
- In July 2018 the Standards Officer provided MIJB members with training on Conduct and Standards.
- In 2018 the MIJB were asked to consider changes to the Integration Scheme with regard to legislative changes in relation to the Carers (Scotland) Act 2016 and the mandatory requirement placed upon both the council and the health board to delegate certain of their functions from this Act to the MIJB.

ANNUAL GOVERNANCE STATEMENT (continued)

Governance Principle 2 – Ensuring openness and comprehensive stakeholder engagement

Assessment of Effectiveness

- Provision is made within MIJB's Standing Orders for public and press access to meetings and reports. Attendance promotes transparency around decision-making. During 2018/19 there was an increase in public attendance at MIJB meetings. A specific web-site has been developed for Health and Social Care Moray and is continuously monitored for improvement. Agendas, reports and minutes for all committees can be accessed via the website in addition to all the linked strategies of the MIJB.
- Both the voting and non-voting membership arrangements of the MIJB are in line with the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. The non-voting membership comprises six professional members and five stakeholder members representing: staff, third sector bodies carrying out activities in relation to health and social care, service users and unpaid carers, and two additional non-voting members. The broad membership of the MIJB ensures valued input and engagement from a wide range of stakeholders.
- The Community Empowerment (Scotland) Act 2015 places a statutory duty on MIJB and its Community Planning Partners to engage with communities on the planning and delivery of services and securing local outcomes.
- The MIJB has an approved Communications and Engagement Strategy which recognises and promotes the active and meaningful engagement with all stakeholders. The strategy is subject to regular review and will be considered again in the summer of 2019.
- The revised Strategic Plan has been in development during 2018/19 with workshops and development sessions being held and facilitated to ensure appropriate stakeholder engagement in this critical process.

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

Assessment of Effectiveness

- In August 2018 the MIJB considered a report on the financial challenges being faced over the period 2018/19 – 2022/23. The financial outlook addressed the challenges of increasing demand for services within a climate of constrained financial resources. The financial outlook supports the preparation of the Strategic Plan 2019-22 which will be underpinned by a medium term financial strategy.
- 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 2018/19 the MIJB considered and approved the annual report and submission was made to Scottish Government within the designated timescale.
- The Strategic Plan 2019-22 is in development with a focus on defining outcomes and how the delivery of health and social care services can be improved for the people of Moray over the term of the Plan.
- The Moray Alliance has been established with support from NHS Grampian with the ambition to work as a single system to address the unscheduled pathways of care where the MIJB has joint responsibility for the strategic planning of these related services. The Alliance reports directly to the Strategic Planning and Commissioning Group.

ANNUAL GOVERNANCE STATEMENT (continued)

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

Assessment of Effectiveness

- The MIJB'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 increased scrutiny over project based work through evaluation reports being submitted to the MIJB. This process has supported the MIJB to make decisions around future planning and investment and support decision making based on the priorities identified in the Strategic Plan.
- Following the publication of the Audit Scotland report in November 2018 on the review of integration, the Ministerial Strategic Group for Health and Community Care have communicated with all Integration Authorities

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

Assessment of Effectiveness

- The Senior and Operational Management teams have taken part in a Systems Leadership Programme led by The Kings Fund to ensure participation and to nurture more coherence across the leadership teams with responsibility for delivering integrated services
- The MIJB have considered the most effective way to support the organisation through an extended piece of work and subsequent revision to its management structure. The aim has been to provide a firm foundation for moving forward which considers the underpinning principles of integration.
- In October 2017, the MIJB agreed to the establishment of an annual awards ceremony as a formal recognition of efforts and achievements of staff working within Health and Social Care Moray. In March 2019 the event was held recognising the achievements of individuals in a variety of categories. Showcase experiences were also a feature of the event.

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

Assessment of Effectiveness

- As part of a robust risk monitoring framework the Strategic Risk Register is reviewed and updated regularly and presented to every Audit, Performance and Risk Committee. In December 2018 this committee requested that an action log that progress could be easily monitored against. The action log was created and is owned and monitored by the Senior Management Team.
- In June 2018 the MIJB Scheme of Administration was reviewed and updated and approved by the Board. As part of this review it was considered appropriate for performance reporting to receive a greater level of scrutiny. The Audit and Risk Committee became the Audit, Performance and Risk Committee and the remit was amended to ensure that satisfactory arrangements were established for reviewing and appraising service performance against set objectives and agreed performance indicators through the receipt and scrutiny of regular performance reports.

ANNUAL GOVERNANCE STATEMENT (continued)

Governance Principle 6 – continued

Assessment of Effectiveness - continued

- The internal control system links closely with those of the Partners, given their operational remit for delivery of services under direction of the MIJB. The Audit, Performance and Risk committee through its consideration of reports monitors the effectiveness of internal control procedures. The MIJB Chief Internal Auditor undertakes an annual review of the adequacy of internal controls and the opinion is included within this statement.
- The MIJB, since August 2017 has had in post an independent S95 Officer who is a member of the MIJB, providing advice on all financial matters and ensure timely production and reporting of budget estimates, budget monitoring reports and annual accounts.

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

Assessment of Effectiveness

- MIJB 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
- The MIJB publishes both Annual Accounts and an Annual Performance Report following Board approval.
- Internal audit terms of reference have been established, and the Chief Internal Auditor reports directly to the Audit, Performance and Risk committee with the right of access to the Chief Officer, Chief Financial Officer and Chair of the Audit, Performance and Risk committee on any matter. The Audit, Performance and Risk Committee approved an Internal Audit Plan presented to it by the Chief Internal Auditor to the MIJB. The plan outlined the planned internal audit coverage for the year. Progress against the Plan has been reported regularly throughout the year.

Review of Adequacy and Effectiveness

The MIJB has a responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements, including the system of internal control. The review is informed by the work of the Senior Management Team (who has responsibility for the development and maintenance of the internal control framework environment); the work of the Internal Auditors and the Chief Internal Auditor's annual report and the reports from the External Auditor and other review agencies and inspectorates.

Internal Audit Opinion

Internal Audit for the MIJB is delivered by Moray Council's internal audit team and the council's internal audit manager holds the Chief Internal Auditor appointment to the MIJB until 31 March 2020. The Council's internal audit function has adopted the Public Sector Internal Audit Standards, (PSIAS) which require the Chief Internal Auditor to deliver an annual internal audit opinion and report that has been used to inform this governance statement.

In line with PSIAS, the Chief Internal Auditor prepares a risk based plan for the MIJB which has regard to the internal audit arrangements of both Moray Council and NHS Grampian functions. The plan is reported to the Audit, Performance and Risk Committee and

ANNUAL GOVERNANCE STATEMENT (continued)

throughout the year update reports are provided to the Committee on delivery of the plan and to inform the annual internal audit opinion. Based on the work completed as outlined below the Chief Internal Auditor is of the opinion that reasonable assurance can be placed on the adequacy and effectiveness of the MIJB framework of governance, risk management and internal control in the year to 31 March 2019.

The opinion is based on a number of sources:

- Internal audit work completed during the year in line with the agreed audit plan in relation to the MIJB and relevant areas within Moray Council. All planned topics were covered during the period covered by this governance statement.
- An assurance statement signed by the Chief Executive of NHS Grampian as to the governance processes adopted by that organisation including certification that no significant control weaknesses were known to management.
- Internal audit reports relevant to the MIJB prepared by PricewaterhouseCoopers, the appointed internal auditors for NHS Grampian.

Significant matters noted from the audit process and being taken forward in the next stages of development of the MIJB include a review of commissioning arrangements for learning disabilities services to align to current service user need. Work was also progressed on a review of how audit assurances available to the three IJBs in the NHS Grampian area can be enhanced as the IJBs mature.

The NHS Grampian Governance Framework

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;

ANNUAL GOVERNANCE STATEMENT (continued)

The NHS Grampian Governance Framework (continued)

- 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, patient focus and public involvement, staff governance, clinical governance, endowment and audit committees 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;
- 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 we review and develop our organisational arrangements and services in line with national standards and guidance;
- Consultation on service change proposals is undertaken with stakeholders and used to inform decision making;

ANNUAL GOVERNANCE STATEMENT (continued)

The NHS Grampian Governance Framework (continued)

- 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 North East Partnership forum, 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
- An annual general meeting of all Trustees of the NHS Grampian Endowment Funds to approve the accounts and review investment policy and strategy.

Based on the evidence considered during the review of the effectiveness of the internal control environment operating within NHS Grampian, the Chief Executive has confirmed that she is not aware of any outstanding significant control weaknesses or other failures to achieve the standards set out in the guidance that applies to NHS Boards in relation to governance, risk management and internal control.

Moray Council Governance Framework

The council's governance framework, like that of the MIJB, has regard to the seven principles outlined in the CIPFA code, and includes:

- Standing orders, a scheme of administration, scheme of delegation and financial regulations govern the conduct of council business;
- Codes of conduct for elected members and senior officials, which require them to exercise leadership through exemplary standards of behaviour;
- A monitoring officer who has a statutory responsibility to ensure established procedures are followed and that all legislative and other regulatory processes are complied with;
- Well established decision making processes with major decisions being taken by council or one of a number of service committees. Council business is discussed in public (unless exempt under statutory provision) and available on the internet by webcast;
- A framework of planning for the community (the Local Outcomes Improvement Plan) and the council (Corporate Plan) outlining priorities and expected outcomes is in place;
- Policy development centred on preventative policies, leading to reduced interventions by partners, and enhanced community engagement and involvement, recognising the ongoing financial challenges facing councils and the wider public sector;
- Arrangements in place covering risk, performance management, internal control and financial management;

ANNUAL GOVERNANCE STATEMENT (continued)

Moray Council Governance Framework (continued)

- A Corporate Risk Register providing summary information on the principal risks facing the Council and how these are managed and controlled. Risk implications also feature in committee reports to inform decision making where required;
- A system of internal control based on a framework of financial regulations, regular management information, administrative procedures, and management supervision; and
- Assurance and accountability oversight by an Audit and Scrutiny Committee which is chaired by a member of the political opposition.

Prior Year Governance Issues

The Annual Governance Statement for 2017/18 highlighted a number of areas for development in looking to secure continuous improvement. An assessment of progress is provided below:

Area for Improvement Identified in 2017/18	Action Undertaken / Progress Made in 2018/19
Drive forward the arrangements surrounding the Set Aside budget at both a local level and ensuring close observation on the developments nationally. Closer involvement with the strategic planning element of the Set Aside budget is required in order to meet the outcomes set out in this key policy objective.	Partnership working with the 3 Grampian IJB's and NHS Grampian has been established with a joint strategic planning approach covering all the delegated hospital services. Strategic reviews of 2 of the 6 services with timescales for the remaining 4 services currently being agreed. The North East Steering Group is meeting regularly to drive this forward with direct address to the Ministerial Steering Group self-assessment. The Moray Alliance has been established and is accountable to the Strategic Planning and Commissioning Group. This arrangement is supporting the redesign and improvement on the basis of 'one health and social care system, one budget approach'. This process brings together key stakeholders in accordance with the pathway/theme under review.

ANNUAL GOVERNANCE STATEMENT (continued)

Prior Year Governance Issues (continued)

Area for Improvement Identified in 2017/18	Action Undertaken / Progress Made in 2018/19
<p>Emphasis should be placed on Locality Planning as set out within the legislation. Planning and preparation of the next Strategic Plan within the year will ensure a focus is maintained in this area developing enhanced community engagement within the Moray localities.</p>	<p>This has been driven forward by a reviewed, updated and MIJB approved management structure. Full implementation will take place during 2019/20.</p> <p>Links will be strengthened with the Locality Management Groups already established in Children's Services and the Locality Practitioner Network Groups (made up of 50% professionals and 50% Community as a further means of joining up the system of health and care and ensuring good linkage at a local level.</p>
<p>Performance Management Framework (PMF) – The draft PMF was approved by the MIJB in January 2018. The focus for the forthcoming year will be to ensure the implementation of this framework whilst continuing to develop locality and service based improvement indicators.</p>	<p>Work continues to ensure the Performance Management Framework adequately supports the MIJB. Following a review of the Scheme of Administration, quarterly performance reports are scrutinised by the Audit, Performance and Risk Committee which supports an appropriate level of debate, subsequently resulting in appropriate action.</p>
<p>There has been some slippage in the planned Internal Audit activity and the Moray Council has made available additional staff resource in the audit team to support delivery of a level of audit coverage commensurate with the evolution of the MIJB. Monitoring of progress will continue through the Audit and Risk Committee.</p>	<p>This has been addressed for 2018/19 and work continues in conjunction with internal audit colleagues across Grampian to ensure optimal delivery of audit assurances for the MIJB.</p>
<p>We will continue to develop our governance framework through learning experienced during these early years of integration.</p>	<p>The appointment of a Corporate Manager has enabled development of the MIJB governance framework. This is considered an area which will be developed continuously in collaboration with key partners.</p>

ANNUAL GOVERNANCE STATEMENT (continued)

Other – Significant Governance Issues

The continued development of a good governance framework remains a priority for the MIJB. Whilst it accepts it is still in its infancy as an organisation and the added complexities that exist in relation to the partner organisations. The framework is developing in the context of reducing budgets, demographic growth, service redesign, changing management structures and locality planning whilst a focus is retained around both national and local priorities that underpin the legislation.

The MIJB believe that the critical route to defining its governance needs and processes will be through the development of the Strategic Plan 2019-22 and the necessity to ensure it sets clear priorities and objectives to enable performance and outcomes to be monitored, reported and considered at every opportunity.

Key Governance challenges going forward will involve:

- Providing capacity to meet statutory obligations whilst managing expectation and rising demand for services;
- As a Board, difficult decisions will require to be made in ensuring we operate within available funding;
- Continue to address our work force challenges in respect of recruitment and retention
- Continuing to work closely with the Grampian Health Board and Moray Council to build on existing relationships and establishing collaborative leadership
- Monitoring Brexit negotiation and the potential impact on resources

Further Developments

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

Area for Improvement and Outcome to be Achieved	
1.	The key development for 2019/20 will be the production of the Strategic Plan 2019-22. This will continue to be a collaborative process involving all key stakeholders to ensure commitment to the success and delivery. The Plan will set out clear priorities which can be measured effectively
2.	Sustainability and Transformation Plan to be developed and aligned to the Strategic Plan. This will set out a 3-5 year programme of change that will support the redesign of services in response to the Strategic Plan.
3.	Workforce Plan will be developed in response to the Strategic Plan, setting out the key workforce actions required for future service delivery.
4.	The Medium Term Financial Strategy will be developed and aligned to the Strategic Plan 2019-22
5.	The Performance Framework will be further developed in response to the Strategic Plan, supporting the reporting process around the delivery of the Plan.
6.	Management structure implementation during the course of 2019/20.

ANNUAL GOVERNANCE STATEMENT (continued)

Statement

In our respective roles as Chair and Chief Officer of the MIJB, 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 MIJB's current governance arrangements, and affirms our commitment to ensuring they are regularly reviewed, developed and fit for purpose. 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 MIJB's governance environment.

While pressure on financial settlements is set to continue during the incoming period, we will continue to engage with our Partners and the wider community to agree plans and outcome targets that are both sustainable and achievable. Taking those forward will be challenging as we aim to fulfil the nine Health and Well-being national outcomes and the strategic priorities identified and detailed in our Strategic Plan. Good governance remains an essential focus in delivering services in a way that both meets the needs of communities and discharges statutory best value responsibilities.

.....
Cllr Shona Morrison
Chair of Moray IJB

.....
Pam Gowans
Chief Officer

19 September 2019

INDEPENDENT AUDITORS REPORT

Independent auditor's report to the members of Moray Integration Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Moray Integration Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of Moray Integration Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is three years. I am independent of Moray Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Moray Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

INDEPENDENT AUDITORS REPORT (continued)

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Moray Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Chief Financial Officer and Moray Integration Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Financial Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing Moray Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Moray Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS REPORT (continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website

www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual accounts

The Chief Financial Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

INDEPENDENT AUDITORS REPORT (continued)

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Brian Howarth, Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

19 September 2019

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year ended 31 March 2019 according to generally accepted accounting practices.

2017/18		2018/19
Net Expenditure		Net Expenditure
£ 000		£ 000
5,475	Community Hospitals	5,383
3,555	Community Nursing	3,689
6,025	Learning Disabilities	6,749
7,447	Mental Health	7,720
1,003	Addictions	1,066
144	Adult Protection & Health Improvement	142
13,427	Care Services Provided In-House	14,427
16,945	Older People & Physical & Sensory Disability Services	18,038
1,508	Intermediate Care and Occupational Therapy	2,197
11,024	Care Services Provided by External Providers	9,597
7,143	Other Community Services	7,110
2,569	Administration & Management	2,467
17,844	Primary Care Prescribing	17,354
15,085	Primary Care Services	15,498
4,061	Hosted Services	4,175
658	Out of Area Placements	650
787	Improvement Grants	795
1,526	Strategic Funds	1,211
10,593	Set Aside	11,765
126,819	Cost of Services	130,033
124,962	Taxation and Non-Specific Grant Income (note 5)	129,443
1,857	(Surplus) or Deficit on provision of Services	590
1,857	Total Comprehensive Income and Expenditure	590

There are no statutory or presentational adjustments which reflect the MIJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the Moray Integration Joint Boards (MIJB) reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices. Additional detail included within note 7 on page 40.

Movement of Reserves During 2018/19	General Fund Balance £000
Opening Balance at 1 April 2018	(847)
Total Comprehensive Income and Expenditure	590
<hr/>	
(Increase) or Decrease in 2018/19	590
<hr/>	
Closing Balance at 31 March 2019	(257)
<hr/>	
Movement of Reserves During 2017/18	General Fund Balance £000
Opening Balance at 1 April 2017	(2,704)
Total Comprehensive Income and Expenditure	1,857
<hr/>	
Increase or Decrease in 2017/18	1,857
<hr/>	
Closing Balance at 31 March 2018	(847)
<hr/>	

BALANCE SHEET

The Balance Sheet shows the value of the Moray Integration Joint Board's (MIJB) assets and liabilities as at the balance sheet date. The net assets of the MIJB (assets less liabilities) are matched by the reserves held by the MIJB.

31 March 2018 £000		Notes	31 March 2019 £000
847	Short Term Debtors Current Assets	6	257
0	Short Term Creditors Current Liabilities		0
0	Provisions Long Term Liabilities		0
847	Net Assets		257
847	Usable Reserve General Fund Unusable Reserve:	7	257
847	Total Reserves		257

The unaudited annual accounts were issued on 27 June 2019 and the audited annual accounts were authorised for issue on 19 September 2019. The Annual Accounts present a true and fair view of the financial position of the MIJB as at 31 March 2019 and its income and expenditure for the year then ended.

Tracey Abdy CPFA

Chief Financial Officer

19 September 2019

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Significant Accounting Policies

General Principles

The Financial Statements summarises the Moray Integration Joint Board's (MIJB) transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019.

The MIJB was established under the requirements of the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the MIJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the MIJB
- Income is recognised when the MIJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down

Funding

The MIJB is primarily funded through funding contributions from the statutory funding partners, Moray Council and the Grampian Health Board. Expenditure is incurred as the MIJB commissions' specified health and social care services from the funding partners for the benefit of service recipients in Moray area.

Cash and Cash Equivalents

The MIJB does not operate a bank account or hold cash. Transactions are settled on behalf of the MIJB by the funding partners. Consequently the MIJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the MIJB's Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 Significant Accounting Policies (continued)

Employee Benefits

The MIJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The MIJB therefore does not present a Pensions Liability on its Balance Sheet.

The MIJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

Charges from funding partners for other staff are treated as administration costs.

Reserves

The MIJB's reserves are classified as either Usable or Unusable Reserves.

The MIJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the MIJB can use in later years to support service provision.

Indemnity Insurance

The MIJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board members. The Grampian Health Board and Moray Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the MIJB does not have any 'shared risk' exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The MIJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Note 2 Critical Judgements and Estimation Uncertainty

In applying the accounting policies, the MIJB has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no material critical judgements and the note below relates to uncertainty about future events:

Public Sector Funding – There is a high degree of uncertainty about future levels of funding for Local Government and Health Boards and this will directly impact on the MIJB.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 Events after the Reporting Period

The unaudited accounts were issued by Tracey Abdy, Chief Financial Officer on 27 June 2019 and the audited accounts were authorised for issue on 19 September 2019. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 4 Expenditure and Income Analysis by Nature

2017/18		2018/19
£000		£000
52,432	Services commissioned from Moray Council	54,207
74,363	Services commissioned from The Grampian Health Board	75,801
24	Auditor Fee: External Audit Work	25
126,819	Total Expenditure	130,033
(124,962)	Partners Funding Contributions and Non-Specific Grant Income	(129,443)
1,857	(Surplus) or Deficit on the Provision of Services	590

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5 Taxation and Non-Specific Grant Income

2017/18		2018/19
£000		£000
40,070	Funding Contribution from Moray Council	40,990
84,892	Funding Contribution from The Grampian Health Board	88,453
124,962	Taxation and Non-specific Grant Income	129,443

The funding contribution from The Grampian Health Board shown above includes £11.765m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by The Grampian Health Board who retains responsibility for managing the costs of providing the services. The MIJB however has responsibility for the consumption of, and level of demand placed on, these resources. For the 2017/18 financial year, the set aside resource level was set at £10.593m.

Note 6 Debtors

31 March 2018		31 March 2019
£000		£000
699	The Grampian Health Board	257
148	Moray Council	0
847	Debtors	257

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the MIJB.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7 Usable Reserve: General Fund

The MIJB holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the MIJB's risk management framework.

The table below shows the movements on the General Fund balance

	Strategic Funds	Action 15	PCIP	Total
	£000	£000	£000	£000
Balance at 1 April 2017	2,704	-	-	2,704
Transfers out 2017/18	(1,857)	-	-	(1,857)
Balance at 31 March 2018	847	-	-	847
Transfer out 2018/19	(847)	-	-	(847)
Transfers in 2018/19	-	76	181	257
Balance at 31 March 2019	-	76	181	257

Action 15

The purpose of this fund is to ring fence funding received as part of the Scottish Government's Mental Health Strategy to increase the number of Mental Health Professionals.

Primary Care Improvement Fund (PCIF)

The purpose of this fund is to ring fence funding received from the Scottish Government as part of its Primary Care Transformation Programme.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8 Agency Income and Expenditure

On behalf of all IJB's within The Grampian Health Board, the MIJB acts as the lead manager for Grampian Medical Emergency Department (GMED) and Primary Care Contracts. It commissions services on behalf of the other IJBs and reclaims the costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the MIJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below:

2017/18		2018/19
£000		£000
8,593	Expenditure on Agency Services	9,028
(8,593)	Reimbursement for Agency Services	(9,028)
0	Net Agency Expenditure excluded from the CIES	0

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 Related Party Transactions

The MIJB has related party relationships with The Grampian Health Board and Moray Council. In particular the nature of the partnership means that the MIJB may influence, and be influenced by, its partners. The following transactions and balances included in the MIJB's accounts are presented to provide additional information on the relationships.

Transactions with The Grampian Health Board

2017/18		2018/19
£000		£000
(84,892)	Funding Contributions received from the NHS Board	(88,453)
74,269	Expenditure on Services Provided by the NHS Board	75,662
106	Key Management Personnel: Non-Voting Board Members	139
(10,517)	Net Transactions with The Grampian Health Board	(12,652)

Key Management Personnel: The Chief Officer and Chief Financial Officer, are non-voting Board members and are both employed by The Grampian Health Board and recharged to the MIJB. Details of the remuneration of both officers are provided in the Remuneration Report.

Balances with The Grampian Health Board

31 March 2018		31 March 2019
£000		£000
(699)	Debtor balances: Amounts due from The Grampian Health Board	(257)
0	Creditor balances: Amounts due to The Grampian Health Board	0
(699)	Net Balance due from The Grampian Health Board	(257)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 Related Party Transactions (continued)

Transactions with Moray Council

2017/18		2018/19
£000		£000
(40,070)	Funding Contributions received from the Council	(40,990)
52,377	Expenditure on Services Provided by the Council	54,170
67	Key Management Personnel: Non-Voting Board Members	62
12,374	Net Transactions with Moray Council	13,242

Balances with Moray Council

31 March 2018		31 March 2019
£000		£000
(148)	Debtor balances: Amounts due from Moray Council	0
0	Creditor balances: Amounts due to Moray Council	0
(148)	Net Balance due from Moray Council	0

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 10 VAT

The MIJB is not registered for VAT and as such the VAT is settled or recovered by the partners. The VAT treatment of expenditure in the MIJB accounts depends on which of the partners is providing the services as each of these partners are treated differently for VAT purposes.

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Note 11 Accounting Standards That Have Been Issued but Have Yet To Be Adopted

The Code requires the MIJB to identify any accounting standards that have been issued but have yet to be adopted and could have material impact on the accounts.

There are no accounting standards issued but not yet adopted that impact on the 2018/19 financial statements.



D-03127 produced by Moray Council



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 19 SEPTEMBER 2019

SUBJECT: QUARTER 1 (APRIL – JUNE 2019) PERFORMANCE REPORT

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To update the Audit, Performance and Risk Committee on the performance of the Moray Integration Joint Board (MIJB) as at Quarter 1 (April – June 2019/20).

2. RECOMMENDATION

- 2.1 It is recommended that the Audit Performance and Risk Committee consider and note:

- i) the performance of local indicators for Quarter 1 (April – June 2019) as presented in the summary report at APPENDIX 1; and
- ii) the detailed analysis of the local indicators that have been highlighted and actions being undertaken to address poor performance as contained within Section 5.

3. BACKGROUND

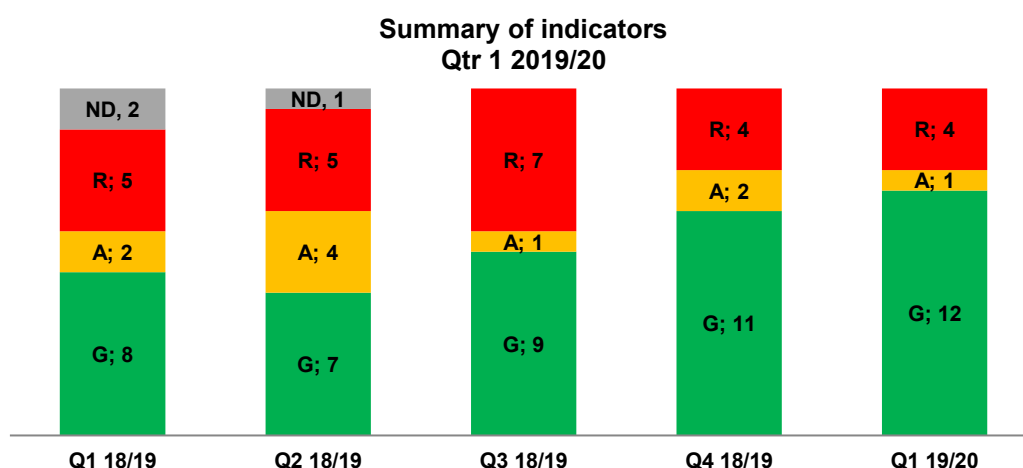
- 3.1 The purpose of this report is to ensure the MIJB fulfils its ongoing responsibility to ensure effective monitoring and reporting on the delivery of services and on the programme of work as set out in its Strategic Plan.
- 3.2 **APPENDIX 1** identifies local indicators that are linked to the strategic priorities of the MIJB and the functions delegated by NHS Grampian and Moray Council, to allow wider scrutiny by this Committee.

4. **KEY MATTERS RELEVANT TO RECOMMENDATION**

- 4.1 Local Indicators are assessed on their performance via a common performance monitoring Red, Amber, Green (RAG) traffic light rating system.

<i>RAG scoring based on the following criteria (Where there is no target, previous quarter is used):</i>	
GREEN	If Moray is performing better than target.
AMBER	If Moray is performing worse than target but within 5% tolerance.
RED	If Moray is performing worse than target by more than 5%.
▲ – ▼	Indicating the direction of the current trend.

- 4.2 The performance information for quarter 1 is attached in **APPENDIX 1**. Moray has 17 local indicators 12 of which are green, 1 amber and 4 indicators showing their status as red. Over this past year the overall performance has been improving as there are now 12 indicators showing as green compared to this same period last year which had 8.



- 4.3 Table 1 below shows that of the 4 red indicators in Q4, 1 is now green and 1 is now amber while 2 remain red. There were 2 amber indicators in Q4 of which one is now red (L12 A&E Attendance Rates per 1,000 population (All Ages)) and the other is green (L09 65+ Emergency Admissions). Of the 11 green indicators in quarter 4, 8 remain green, one is now red (L19A – Number of complaints received and % responded to within 20 working days – NHS), the rest remain green. This has resulted in a net improvement in the number of green indicators.

Table 1

ID.	Indicator Description	PPE	Q1 (Apr-Jun 18)	Q2 (Jul-Sep 18)	Q3 (Oct-Dec 18)	Q4 (Jan-Mar 19)	Q1 (Apr-Jun 19)
L07	Rate of emergency occupied bed days for over 65s per 1000 population	▼	A▼	A▼	G▼	G▼	G▼
L08	Emergency Admissions rate per 1000 population for over 65s	▼	G▼	G▲	G▼	G▼	G▼
L09	Number of people over 65 years admitted as an emergency in the previous 12 months per 1000 population	▼	A▼	R▲	A-	A▼	G▼
L10	Number of Bed Days Occupied by Delayed Discharges per quarter (inc code 9) per 1000 18+ population	▼	R▲	R▲	G▼	G▼	G▼
L11	Number of delayed discharges inc code 9 (Census snapshot, monthly average for quarter)	▼	R▲	G-	G▼	G▼	G▼
L12	A&E Attendance rates per 1000 population (All Ages)	▼	G▼	R▲	G▼	A▲	R▲
L13	A&E Percentage of people seen within 4 hours, within community hospitals	▲	G-	G-	G-	G-	G-
L14	Percentage of new dementia diagnoses who receive 1 year post-diagnostic support	▲	ND	G- (2014/15)	G▼ (2015/16)	R▼ (2016/17)	G▲ (2017/18)
L15	Smoking cessation in 40% most deprived after 12 weeks	▲	R▼	G▲	R▼	G▲	G▲
L16	Percentage of clients receiving alcohol treatment within 3 weeks of referral	▲	G▲	G▼	G-	G-	G-
L17	Percentage of clients receiving drug treatment within 3 weeks of referral	▲	G-	G▲	G-	G-	G-
L18	Number of Alcohol Brief Interventions being delivered	▲	R▼	R	R▼	R▼	R▲
L19A	Number of complaints received and % responded to within 20 working days - NHS	▲	G▲	R▼	R▼	G▲	R▼
L19B	Number of complaints received and % responded to within 20 working days - Council	▲	ND	G-	G-	G-	G-
L20	NHS Sickness Absence % of Hours Lost	▼	A▼	A▼	R▲	G▼	G▲
L21	Council Sickness Absence (% of Calendar Days Lost)	▼	ND	ND	R▲	R▼	A▲
L41	Percentage of patients commencing Psychological Therapy Treatment within 18 weeks of referral	▲	G▲	G▼	R▼	R▼	R▼

4.4 Indicators which are RED (not meeting local targets and outwith tolerances) at quarter 1 have been highlighted by the Performance Team with the relevant Service Managers. An investigation into the red indicators has been undertaken and where possible potential remedial actions have been identified. **Section 5** provides exception reporting and supplementary information which explains the background to current performance and where possible the management action being undertaken to address the underlying issues.

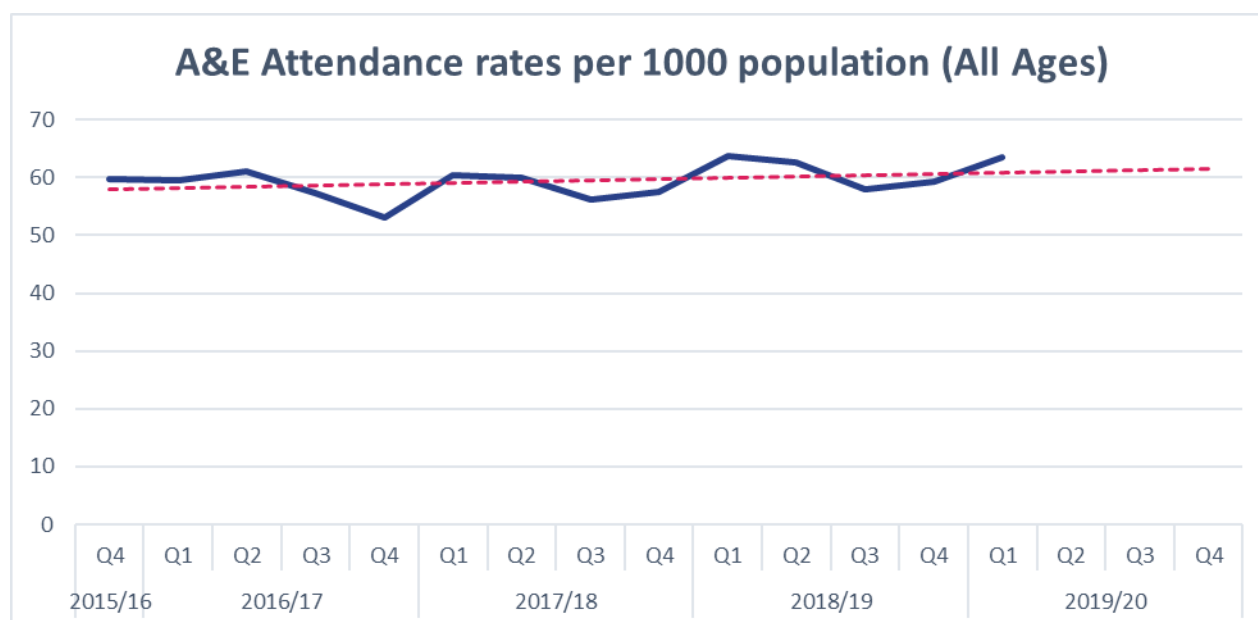
5. PERFORMANCE ANALYSIS

5.1 **Number of Alcohol Brief Interventions (ABIs) being delivered** - The implementation plan for Grampian Alcohol and Screening Brief Intervention Strategy is currently being worked on with the intention of being published in late 2019. In summary the following actions have been identified with the expectation that improvement in this measure can only be expected in Q4 at the earliest:

- Undertake tests of change with wider primary care team members, housing services, care providers, emergency department practitioners.
- Provide one to one support to general practice to make the links between long term condition self-management, alcohol screening and brief intervention.
- Provide support to partners developing alcohol screening and brief intervention approaches in their organisations or groups
- Increase trainer capacity.
- Undertake a test of change for embedding systematic alcohol screening within the acute health care sector.
- Scale up tests of change undertaken in previous years.

- Embed alcohol screening and brief intervention across criminal justice social work and improve coverage within police custody.
- Plan evaluation of sustainability of current approach.

5.2 L12 - A&E Attendance rates per 1,000 population (All Ages) – Under the current RAG system this measure is currently red as it has increased more than 5% from quarter to quarter (59.4 to 63.5). However there is a seasonal fluctuation in this measure and Q1 tends to have an increase and while the figure for this quarter is lower than the same quarter last year (63.8) there is an increasing trend. This trend is in line with what would be expected in Moray as the 65+ population increases faster than the rest of Scotland. It continues to be monitored closely and any significant deviations from this trend will be investigated.



5.3 L19A – Number of complaints received and % responded to within 20 working days – NHS - Indicator 19A (NHS Complaints currently showing as consistently red) and 19B (Moray Council complaints currently showing as consistently green) refer to the complaints received by Health and Social Care Moray (HSCM), split in accordance with respective NHS Grampian and Moray Council policies and systems.

5.4 L41 - Percentage of patients commencing Psychological Therapy Treatment within 18 weeks of referral – Due to the low numbers in this measure for this quarter it is not possible to provide any further analysis. Adult mental health have carried a full time psychology vacancy since July 2018; despite 4 rounds of recruitment an appointment has not been made. Another round of recruitment is about to commence.

In primary care, a full time member of staff left in December 2018 and following a lengthy recruitment process someone has now been appointed on a temporary part time basis – 18 hours until February 2020 – as the funding position is unclear beyond March 2020. In addition a 0.8 whole time equivalent member of staff in primary care has been off on long term sick leave since 28 June.

6. REVIEW OF LOCAL INDICATORS

The Performance Team will be undertaking a review of local indicators in order to establish if they remain an appropriate and representative indication of our emerging strategic priorities. There will be a review of the targets that have been set and determining if those without require targets or should be presented as information only. In order for the indicators to be meaningful they will be aligned with the HSCM Strategy. Progress on this will be reported upon finalisation of the strategy.

7. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

Performance management reporting is a legislative requirement under section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014.

In addition to publishing an Annual Performance Report, the Moray Integration Scheme requires that the MIJB will “monitor the performance of the delivery of integrated services using the Strategic Plan on an ongoing basis” (para 5.2.2 of the Moray Integration Scheme refers).

(b) Policy and Legal

None directly associated with this report.

(c) Financial implications

None directly associated with this report. .

(d) Risk Implications and Mitigation

The report highlights the difficulties being experienced in staff recruitment and sickness absence and the subsequent impact on service delivery within the Mental Health Services in Moray.

(e) Staffing Implications

None directly associated with this report.

(f) Property

None directly associated with this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not required for the Performance Framework because there will be no impact, as a result of the report, on people with protected characteristics.

(h) Consultations

Consultation on this report has taken place with the following staff who are in agreement with the content in relation to their area of responsibility:-

- Chief Officer, MIJB
- Caroline Howie, Committee Services Officer
- Service Managers, Health and Social Care Moray
- Corporate Manager

8. CONCLUSION

8.1 This report requests the Audit, Performance and Risk Committee comment on performance of local indicators and actions summarised in Section 5.

Author of Report: Bruce Woodward, Senior Performance Officer

Background Papers: Available on request

Ref:

Moray Health and Social Care Partnership: Performance at a Glance Quarter 1 (April to June 2019)
Local Indicators

RAG scoring based on the following criteria (Where there is no target, previous quarter is used)	
G	If Moray is performing better than target
A	If Moray is performing worse than target but within 5% tolerance
R	If Moray is performing worse than target by more than 5%
▲ - ▼	Indicating direction of current trend

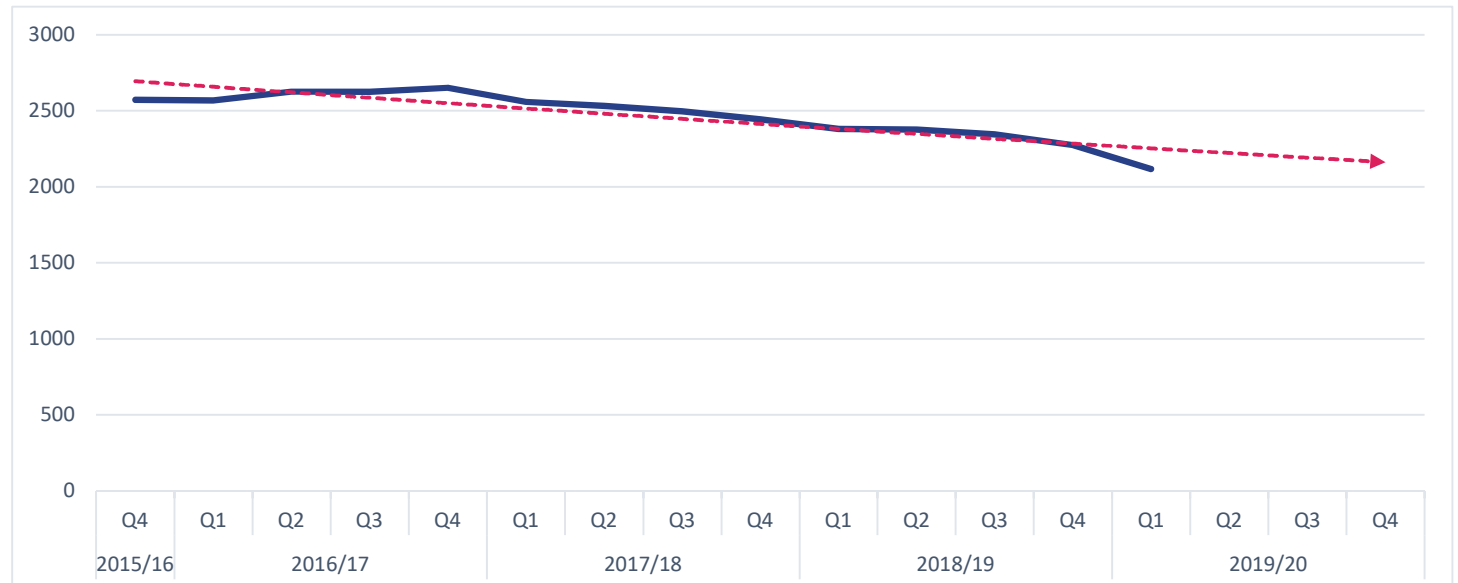
ID.	Indicator Description	Source	Q1 (Apr-Jun 18)	Q2 (Jul-Sep 18)	Q3 (Oct-Dec 18)	Q4 (Jan-Mar 19)	Q1 (Apr-Jun 19)	Target	RAG Status
L07	Rate of emergency occupied bed days for over 65s per 1000 population	NHS	2380	2375	2344	2274	2117	2360	G▼
L08	Emergency Admissions rate per 1000 population for over 65s	NHS - PMS	191	189	187	182	177	193	G▼
L09	Number of people over 65 years admitted as an emergency in the previous 12 months per 1000 population	NHS - PMS	132	130	130	127	123	125	G▼
L10	Number of Bed Days Occupied by Delayed Discharges per quarter (inc code 9) per 1000 18+ population	NHS	42	45	41	37	31	-	G▼
L11	Number of delayed discharges inc code 9 (Census snapshot, monthly average for quarter)	NHS	32	39	35	32	26	35	G▼
L12	A&E Attendance rates per 1000 population (All Ages)	NHS	63.8	62.6	58.0	59.4	63.5	-	R▲
L13	A&E Percentage of people seen within 4 hours, within community hospitals	NHS	100% (825)	100.0% (681)	100.0% (564)	100% (563)	100% (647)	98%	G -
L14	Percentage of new dementia diagnoses who receive 1 year post-diagnostic support	ISD	Reported Annually	94.9% (2014/15)	90.7% (2015/16)	66.7% (2016/17)	96.5% (2017/18)	70%	G▲
L15	Smoking cessation in 40% most deprived after 12 weeks	NHS	30	20	30	34	Q4 is most recent this is always a qtr behind	-	G▲
L16	Percentage of clients receiving alcohol treatment within 3 weeks of referral	NHS	98.0%	100%	100.0%	100.0%	100.0%	90%	G -
L17	Percentage of clients receiving drug treatment within 3 weeks of referral	NHS	100%	100%	100.0%	100.0%	100.0%	90%	G -
L18	Number of Alcohol Brief Interventions being delivered (includes ABIs in priority and wider settings where data can be aligned to HSCP)	NHS	206	221	166	125	136	259	R▲
L19A	Number of complaints received and % responded to within 20 working days - NHS	NHS	50% (8)	54.5% (11)	50.0% (18)	54.2% (24)	33% (12)	-	R▼
L19B	Number of complaints received and % responded to within 20 working days - Council	SW	-	100% (6)	100% (6)	100% (3)	100% (5)	-	G -
L20	NHS Sickness Absence % of Hours Lost	NHS	4.9%	4.6%	4.7%	3.8%	3.9%	4.0%	G▲
L21	Council Sickness Absence (% of Calendar Days Lost)	SW	7.9%	8.1%	8.3%	7.4%	7.7%	TBD	A▲
L41	Percentage of patients commencing Psychological Therapy Treatment within 18 weeks of referral	NHS	100.0%	100.0%	80.0%	78.0%	40.0%	90%	R▼

HSCM Indicator RAG over time

ID.	Indicator Description	PPE	Q1 (Apr-Jun 18)	Q2 (Jul-Sep 18)	Q3 (Oct-Dec 18)	Q4 (Jan-Mar 19)	Q1 (Apr-Jun 19)
L07	Rate of emergency occupied bed days for over 65s per 1000 population	▼	A▼	A▼	G▼	G▼	G▼
L08	Emergency Admissions rate per 1000 population for over 65s	▼	G▼	G▲	G▼	G▼	G▼
L09	Number of people over 65 years admitted as an emergency in the previous 12 months per 1000 population	▼	A▼	R▲	A -	A▼	G▼
L10	Number of Bed Days Occupied by Delayed Discharges per quarter (inc code 9) per 1000 18+ population	▼	R▲	R▲	G▼	G▼	G▼
L11	Number of delayed discharges inc code 9 (Census snapshot, monthly average for quarter)	▼	R▲	G -	G▼	G▼	G▼
L12	A&E Attendance rates per 1000 population (All Ages)	▼	G▼	R▲	G▼	A▲	R▲
L13	A&E Percentage of people seen within 4 hours, within community hospitals	▲	G -	G -	G -	G -	G -
L14	Percentage of new dementia diagnoses who receive 1 year post-diagnostic support	▲	ND	G - (2014/15)	G▼ (2015/16)	R▼ (2016/17)	G▲ (2017/18)
L15	Smoking cessation in 40% most deprived after 12 weeks	▲	R▼	G▲	R▼	G▲	G▲
L16	Percentage of clients receiving alcohol treatment within 3 weeks of referral	▲	G▲	G▼	G -	G -	G -
L17	Percentage of clients receiving drug treatment within 3 weeks of referral	▲	G -	G▲	G -	G -	G -
L18	Number of Alcohol Brief Interventions being delivered	▲	R▼	R	R▼	R▼	R▲
L19A	Number of complaints received and % responded to within 20 working days - NHS	▲	G▲	R▼	R▼	G▲	R▼
L19B	Number of complaints received and % responded to within 20 working days - Council	▲	ND	G -	G -	G -	G -
L20	NHS Sickness Absence % of Hours Lost	▼	A▼	A▼	R▲	G▼	G▲
L21	Council Sickness Absence (% of Calendar Days Lost)	▼	ND	ND	R▲	R▼	A▲
L41	Percentage of patients commencing Psychological Therapy Treatment within 18 weeks of referral	▲	G▲	G▼	R▼	R▼	R▼

L07 Rate of emergency occupied bed days for over 65s per 1000 population

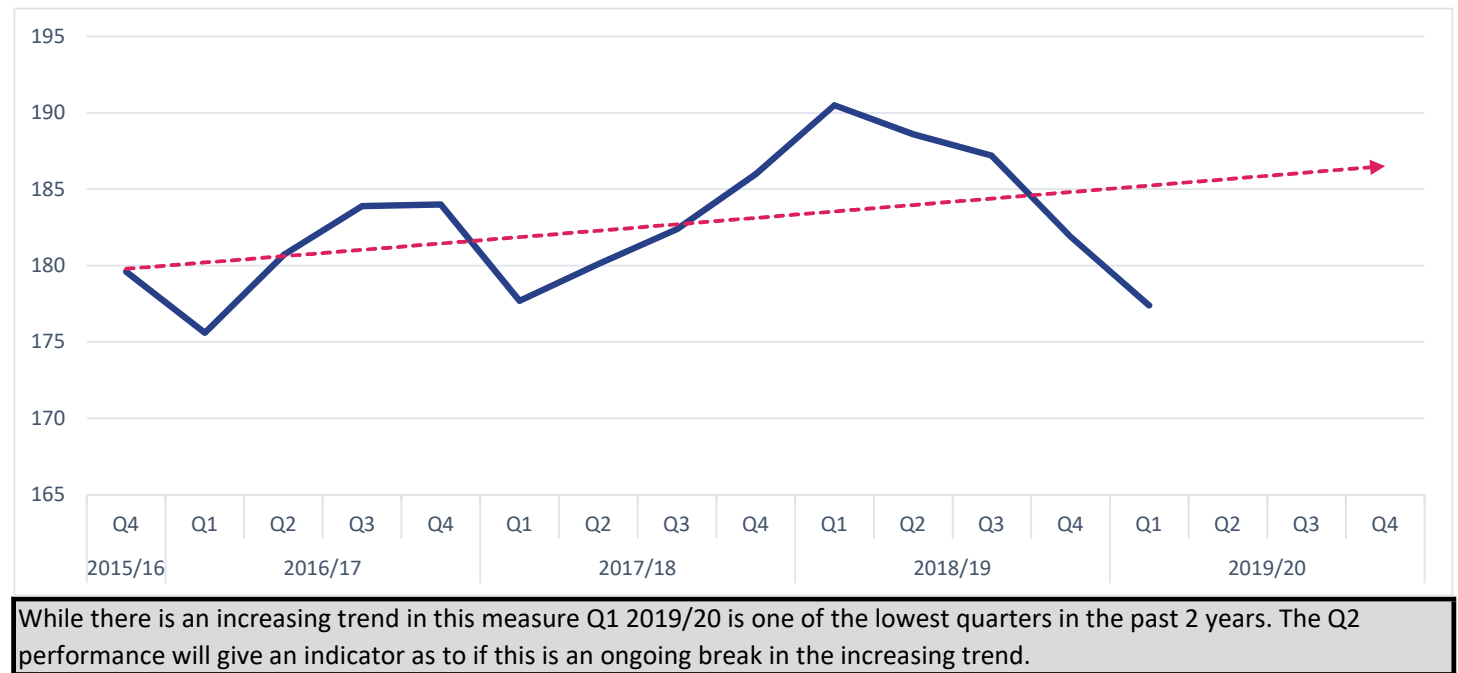
Financial Year		▼
2015/16	Q4	2571
2016/17	Q1	2567
	Q2	2625
	Q3	2623
	Q4	2651
2017/18	Q1	2558
	Q2	2531
	Q3	2495
	Q4	2444
2018/19	Q1	2380
	Q2	2375
	Q3	2344
	Q4	2274
2019/20	Q1	2117
	Q2	
	Q3	
	Q4	



There has been a steady reduction in this measure over the past 2 years and this looks to continue on into the foreseeable future.

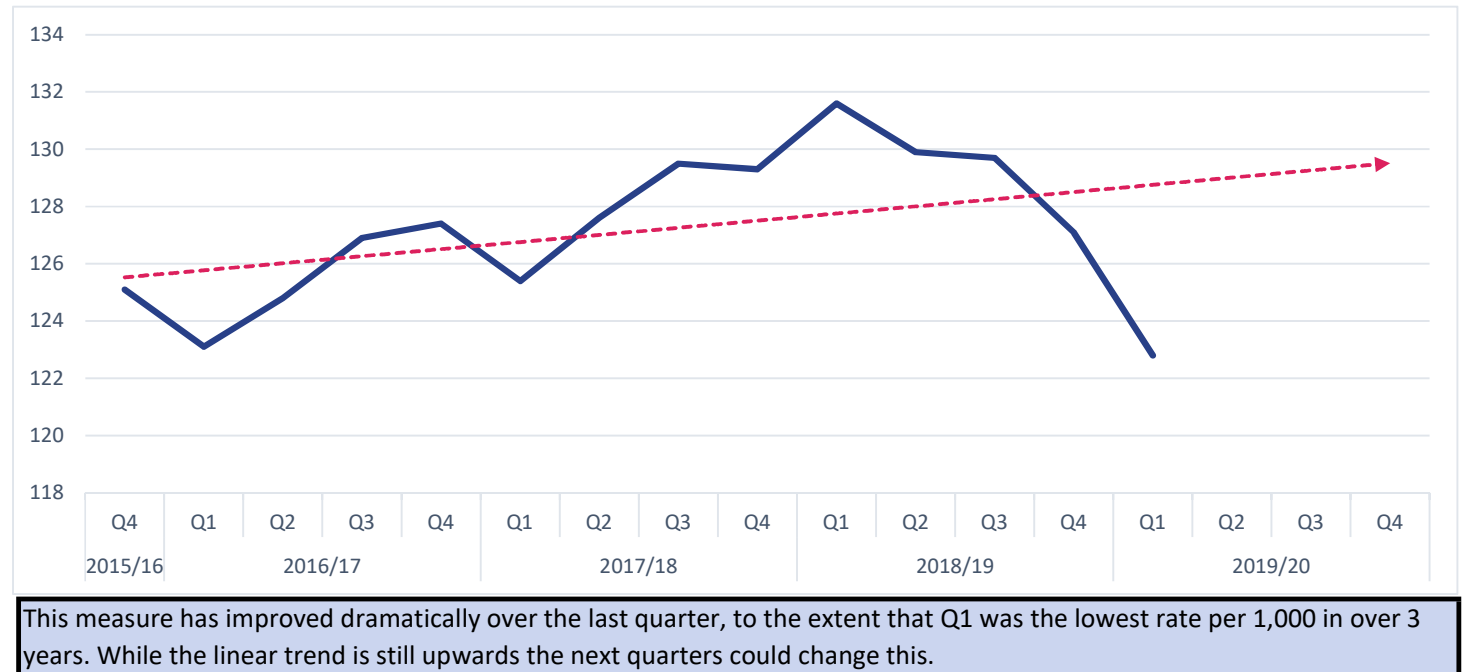
L08 Emergency Admissions rate per 1000 population for over 65s

Financial Year		▼
2015/16	Q4	179.6
2016/17	Q1	175.6
	Q2	180.7
	Q3	183.9
	Q4	184.0
2017/18	Q1	177.7
	Q2	180.1
	Q3	182.4
	Q4	186.0
2018/19	Q1	190.5
	Q2	188.6
	Q3	187.2
	Q4	181.9
2019/20	Q1	177.4
	Q2	
	Q3	
	Q4	



L09 Number of people over 65 years admitted as an emergency in the previous 12 months per 1000 population

Financial Year		▼
2015/16	Q4	125.1
2016/17	Q1	123.1
	Q2	124.8
	Q3	126.9
	Q4	127.4
2017/18	Q1	125.4
	Q2	127.6
	Q3	129.5
	Q4	129.3
2018/19	Q1	131.6
	Q2	129.9
	Q3	129.7
	Q4	127.1
2019/20	Q1	122.8
	Q2	
	Q3	
	Q4	



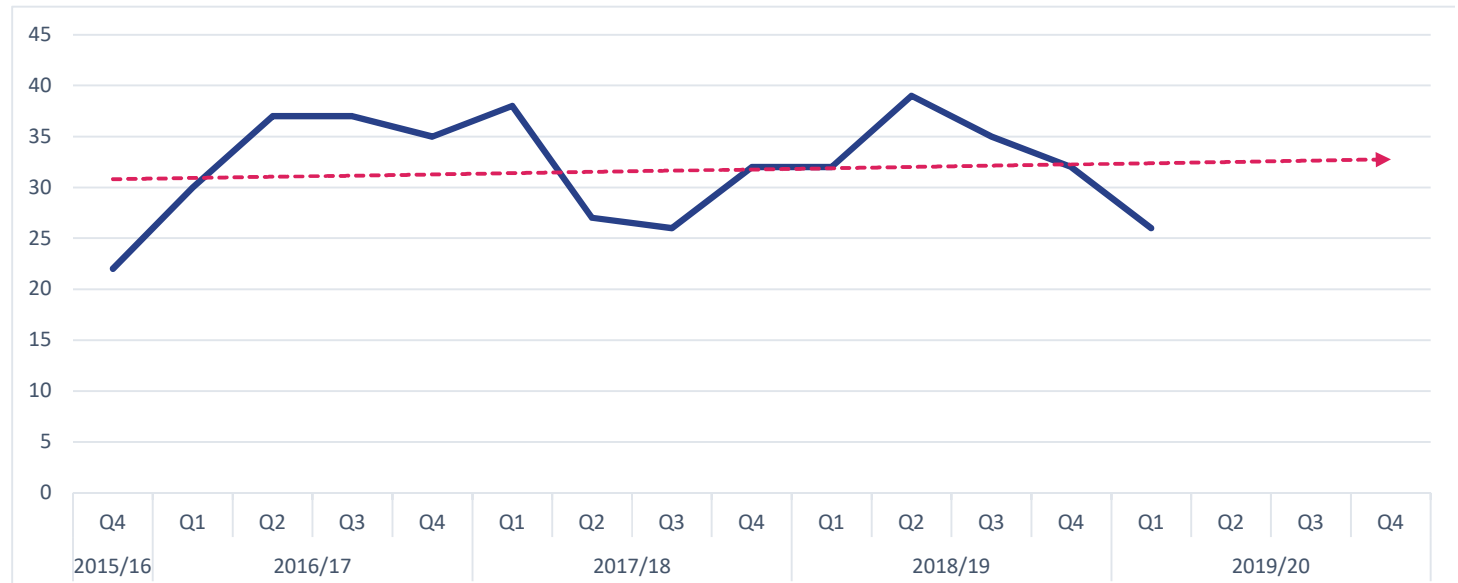
L10 Number of Bed Days Occupied by Delayed Discharges per quarter (inc code 9) per 1000 18+ population

Financial Year		▼
2015/16	Q4	31
2016/17	Q1	42
	Q2	40
	Q3	46
	Q4	38
2017/18	Q1	50
	Q2	31
	Q3	30
	Q4	38
2018/19	Q1	42
	Q2	45
	Q3	41
	Q4	37
2019/20	Q1	31
	Q2	
	Q3	
	Q4	



L11 Number of delayed discharges inc code 9 (Census snapshot, monthly average for quarter)

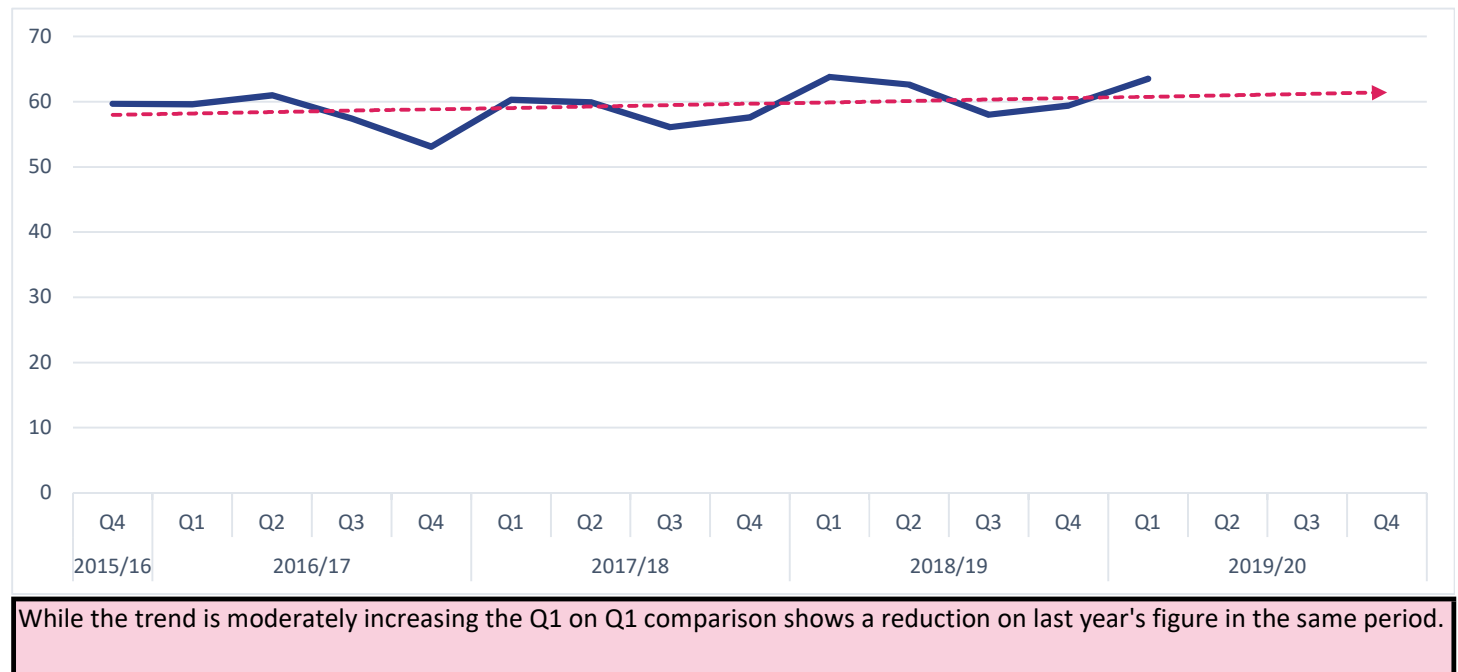
Financial Year		▼
2015/16	Q4	22
2016/17	Q1	30
	Q2	37
	Q3	37
	Q4	35
2017/18	Q1	38
	Q2	27
	Q3	26
	Q4	32
2018/19	Q1	32
	Q2	39
	Q3	35
	Q4	32
2019/20	Q1	26
	Q2	
	Q3	
	Q4	



While this measure has shown improvement over the last 4 quarters there is a danger it may increase again if not kept in focus.

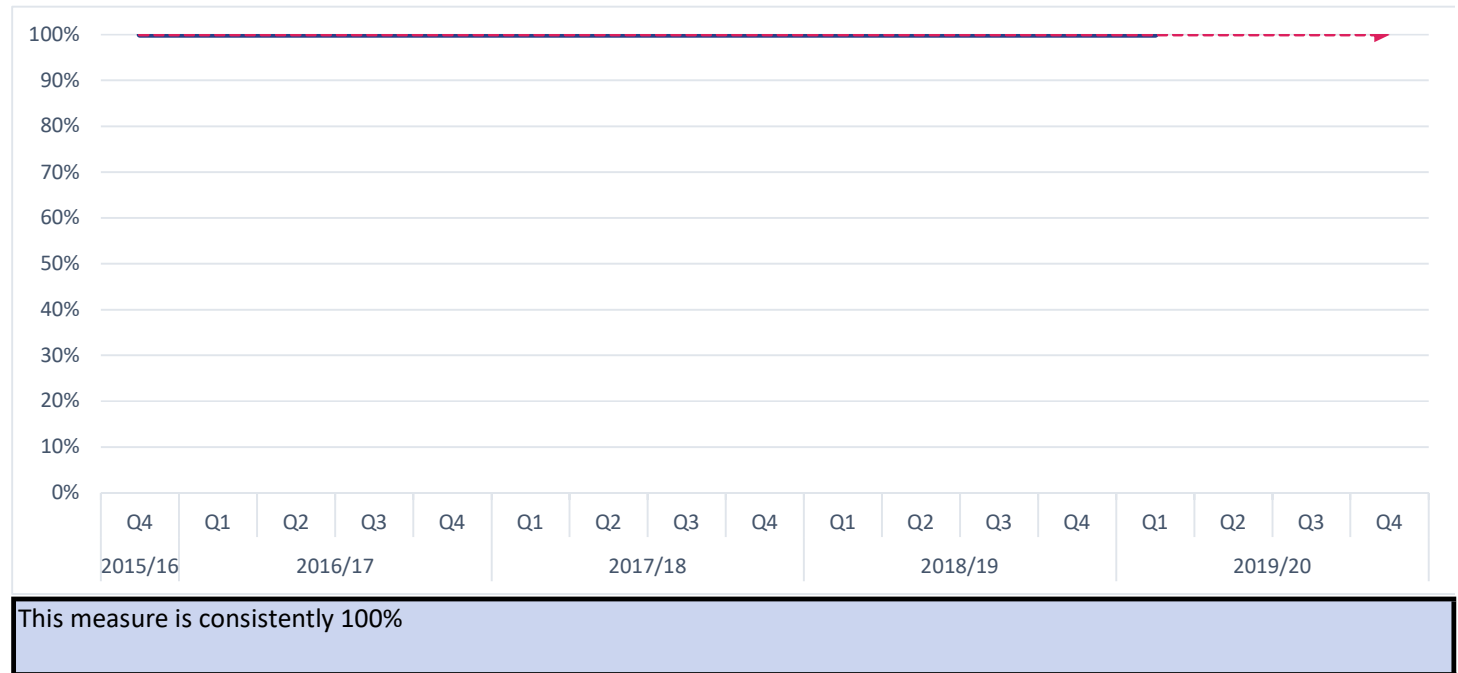
L12 A&E Attendance rates per 1000 population (All Ages)

Financial Year		▼
2015/16	Q4	59.7
2016/17	Q1	59.6
	Q2	61.0
	Q3	57.4
	Q4	53.1
2017/18	Q1	60.3
	Q2	59.9
	Q3	56.1
	Q4	57.6
2018/19	Q1	63.8
	Q2	62.6
	Q3	58.0
	Q4	59.4
2019/20	Q1	63.5
	Q2	
	Q3	
	Q4	



L13 A&E Percentage of people seen within 4 hours, within community hospitals

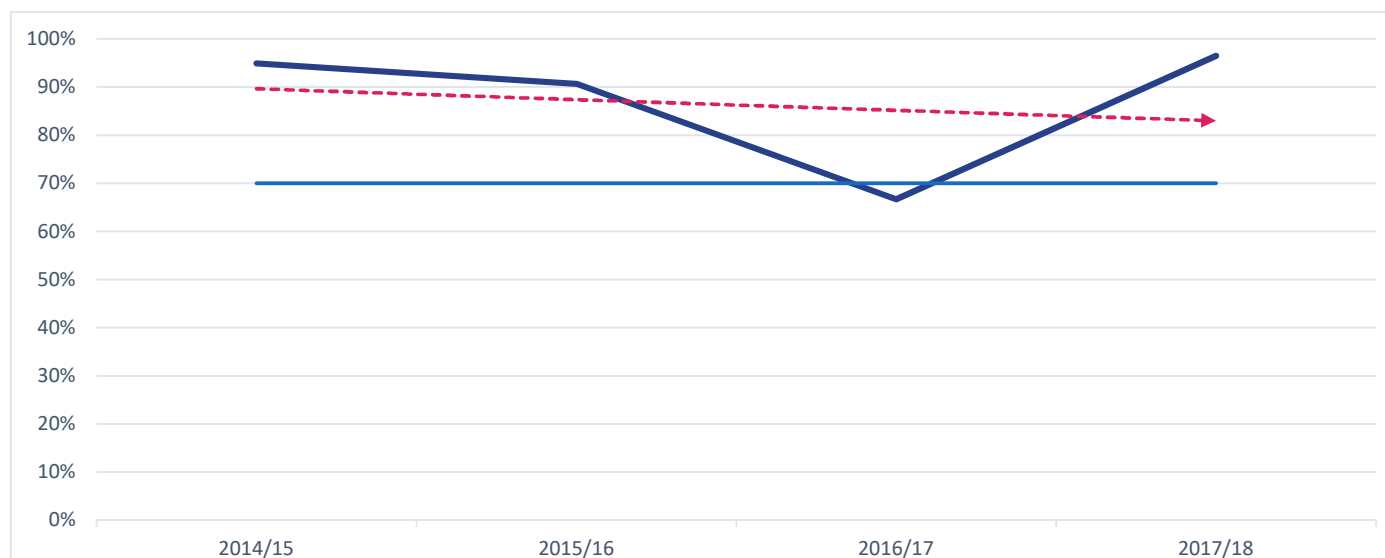
Financial Year		▲
2015/16	Q4	100.0%
2016/17	Q1	100.0%
	Q2	100.0%
	Q3	100.0%
	Q4	100.0%
2017/18	Q1	100.0%
	Q2	100.0%
	Q3	100.0%
	Q4	100.0%
2018/19	Q1	100.0%
	Q2	100.0%
	Q3	100.0%
	Q4	100.0%
2019/20	Q1	100.0%
	Q2	
	Q3	
	Q4	



L14

Percentage of new dementia diagnoses who receive 1 year post-diagnostic support

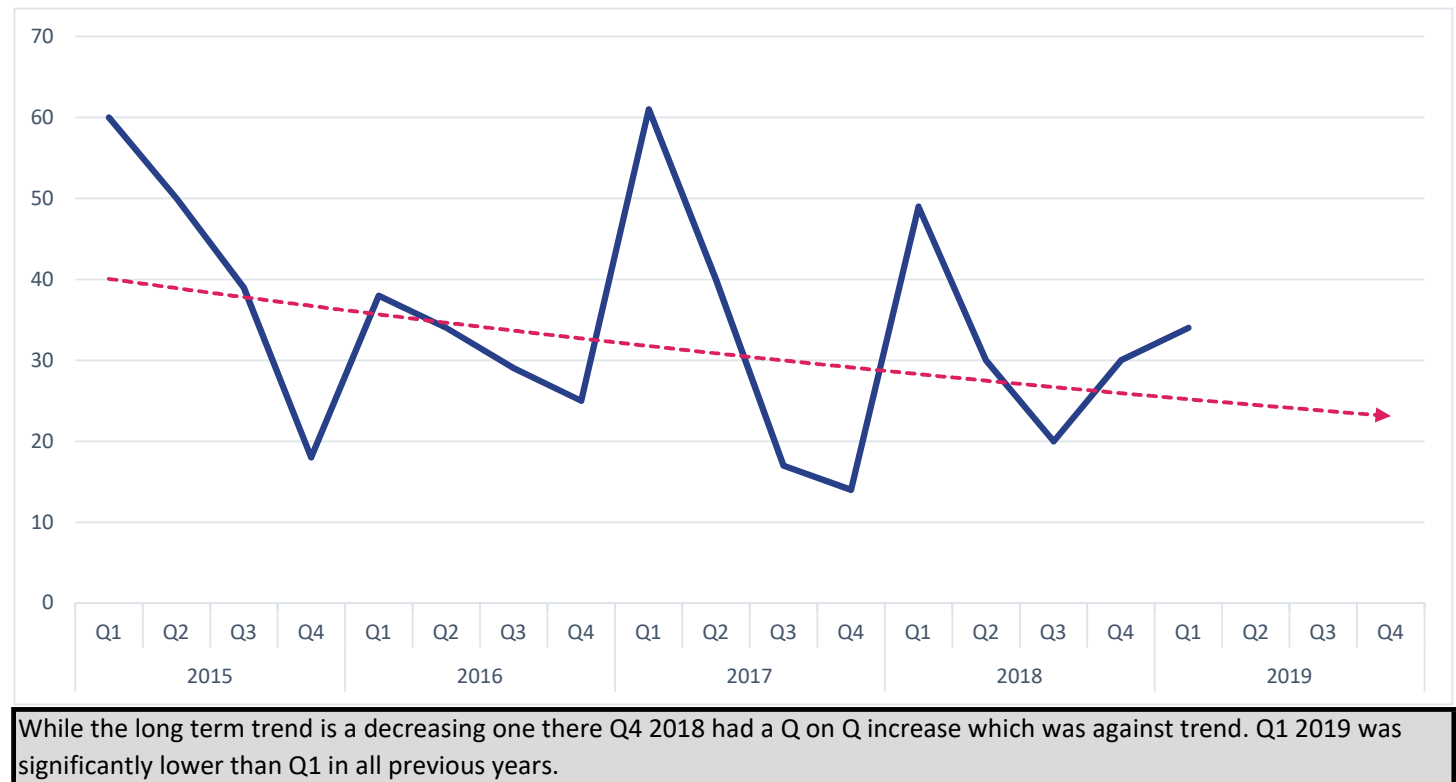
Financial Year	▲	Target
2014/15	94.9%	70%
2015/16	90.7%	70%
2016/17	66.7%	70%
2017/18	96.5%	70%



This measure is a yearly one and while there was a significant dip in performance in 2016/17 the latest figure is now well above target again.

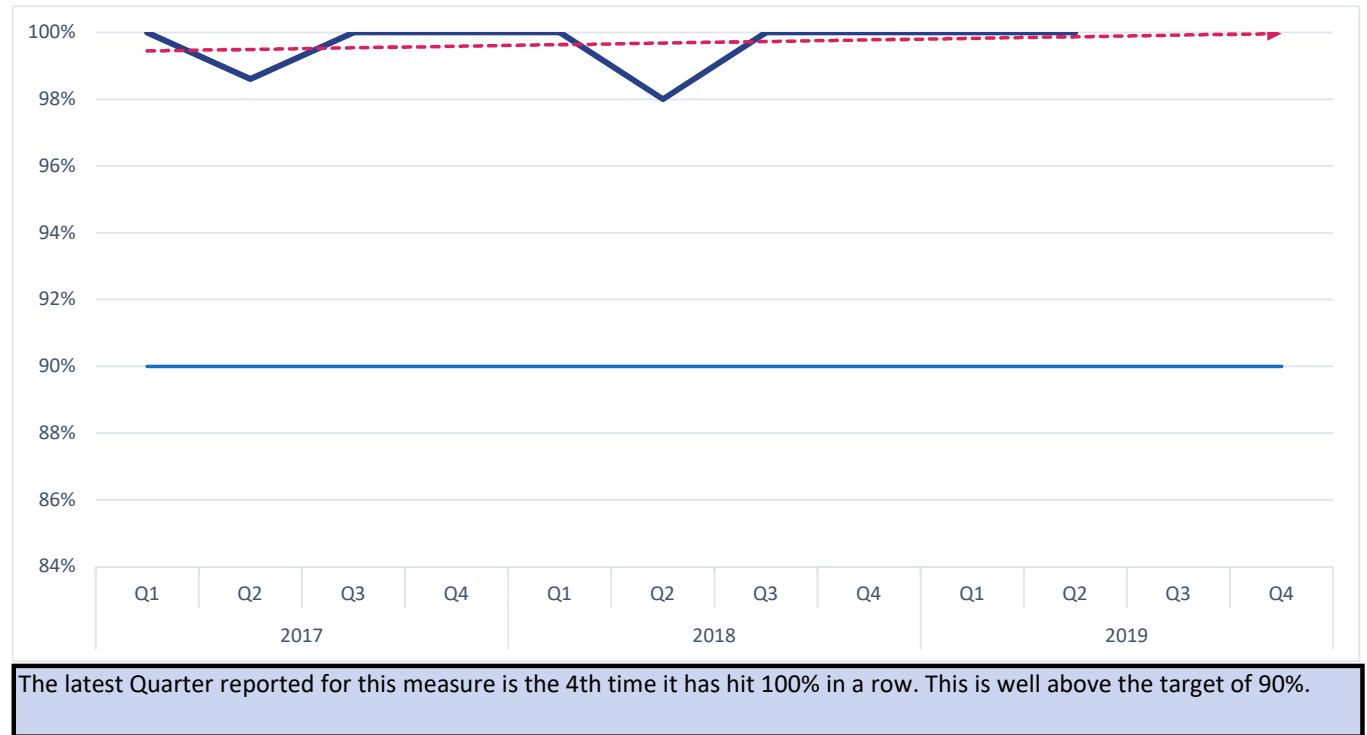
L15 Smoking cessation in 40% most deprived after 12 weeks

Calendar Year		▲
2015	Q1	60
	Q2	50
	Q3	39
	Q4	18
2016	Q1	38
	Q2	34
	Q3	29
	Q4	25
2017	Q1	61
	Q2	40
	Q3	17
	Q4	14
2018	Q1	49
	Q2	30
	Q3	20
	Q4	30
2019	Q1	34
	Q2	
	Q3	
	Q4	



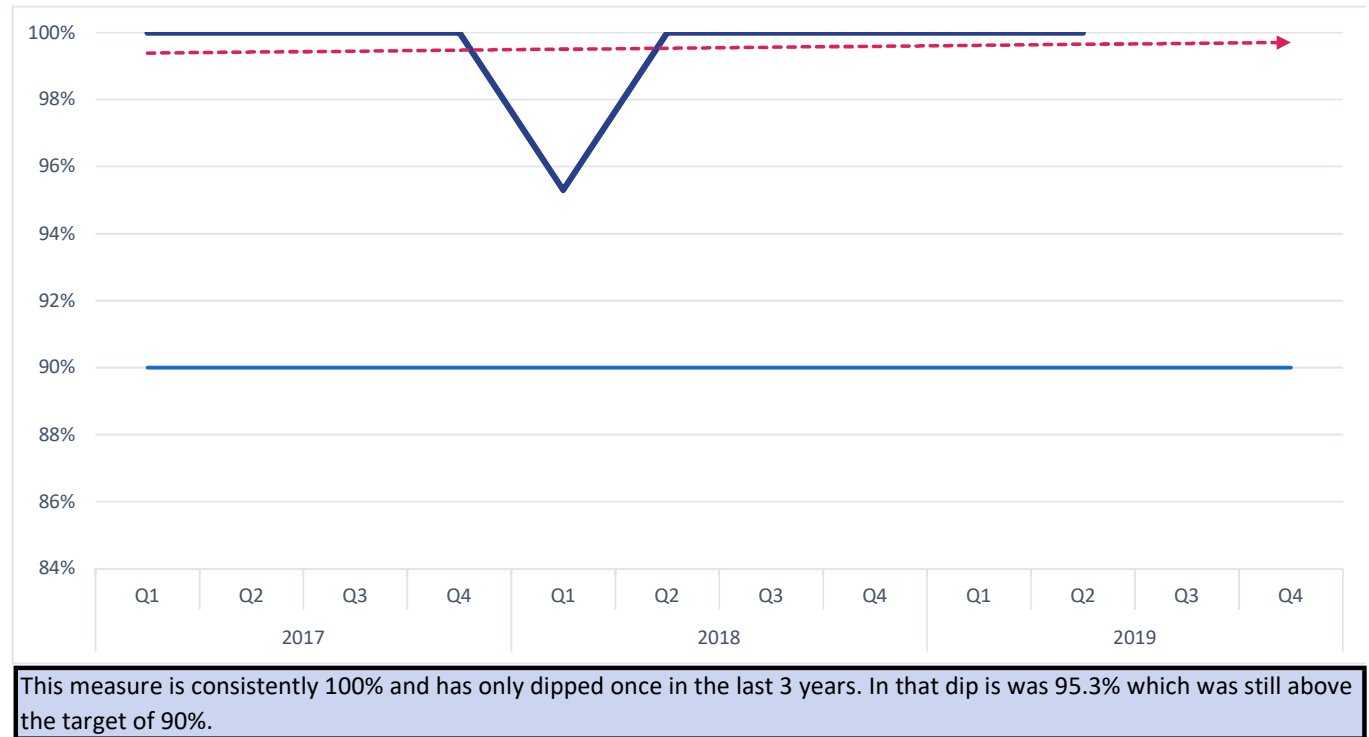
L16 Percentage of clients receiving alcohol treatment within 3 weeks of referral

Calendar Year		▲	Target
2015	Q1		
	Q2		
	Q3		
	Q4		
2016	Q1		
	Q2		
	Q3		
	Q4		
2017	Q1	100.0%	90%
	Q2	98.6%	90%
	Q3	100.0%	90%
	Q4	100.0%	90%
2018	Q1	100.0%	90%
	Q2	98.0%	90%
	Q3	100.0%	90%
	Q4	100.0%	90%
2019	Q1	100.0%	90%
	Q2	100.0%	90%
	Q3		90%
	Q4		90%



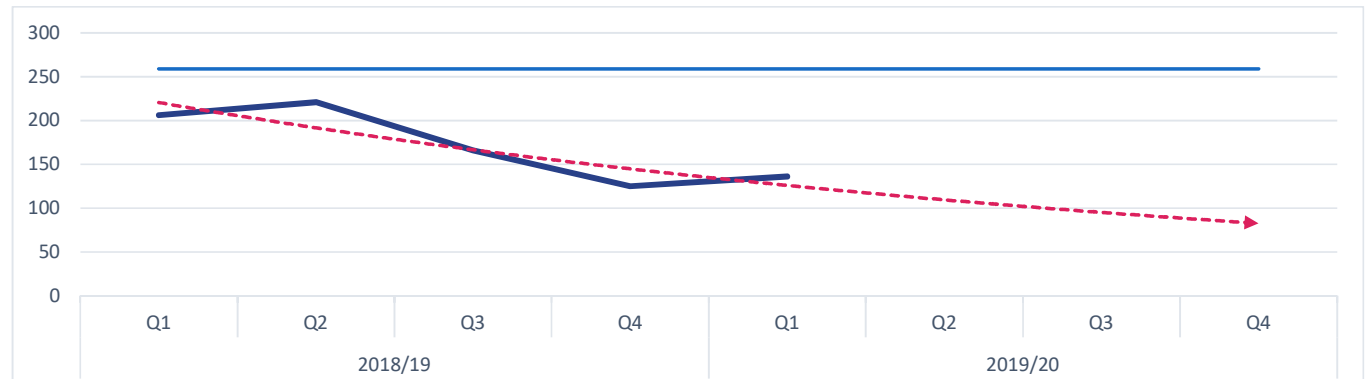
L17 Percentage of clients receiving drug treatment within 3 weeks of referral

Calendar Year		▲	Target
2015	Q1		
	Q2		
	Q3		
	Q4		
2016	Q1		
	Q2		
	Q3		
	Q4		
2017	Q1	100.0%	90%
	Q2	100.0%	90%
	Q3	100.0%	90%
	Q4	100.0%	90%
2018	Q1	95.3%	90%
	Q2	100.0%	90%
	Q3	100.0%	90%
	Q4	100.0%	90%
2019	Q1	100.0%	90%
	Q2	100.0%	90%
	Q3		90%
	Q4		90%



L18 Number of Alcohol Brief Interventions being delivered (includes ABIs in priority and wider settings where data can be aligned to HSCP)

Financial Year		▲	Target
2017/18*	Q1	66	
	Q2	59	
	Q3	106	
	Q4	142	
2018/19	Q1	206	259
	Q2	221	259
	Q3	166	259
	Q4	125	259
2019/20	Q1	136	259
	Q2		259
	Q3		259
	Q4		259

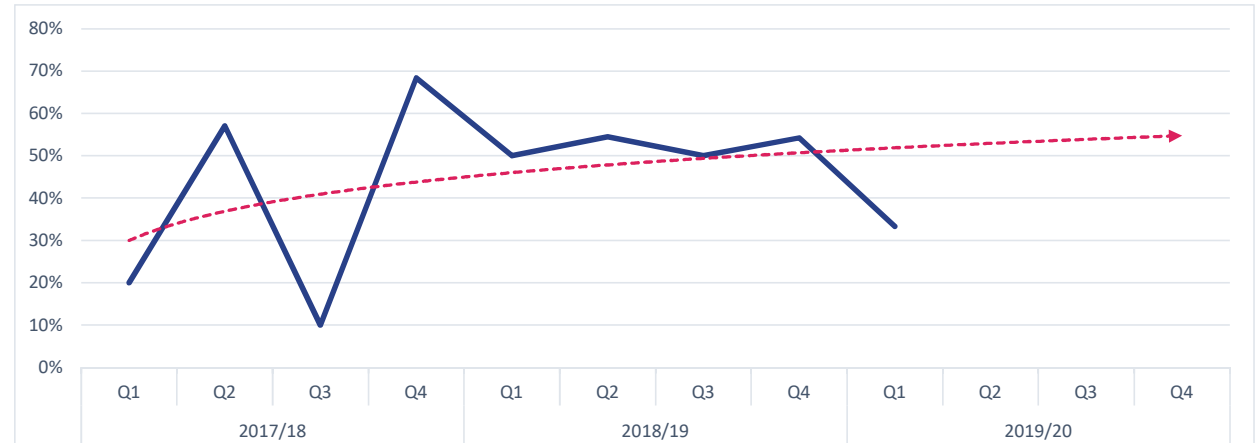


The number of ABIs being delivered in Moray continues to have a downward trend despite a small uptick in Q1.

* Prior to 2018/19 only ABIs done in GP practices were recorded at partnership level, therefore previous years are not comparable

L19a
Number of complaints received and % responded to within 20 working days - NHS

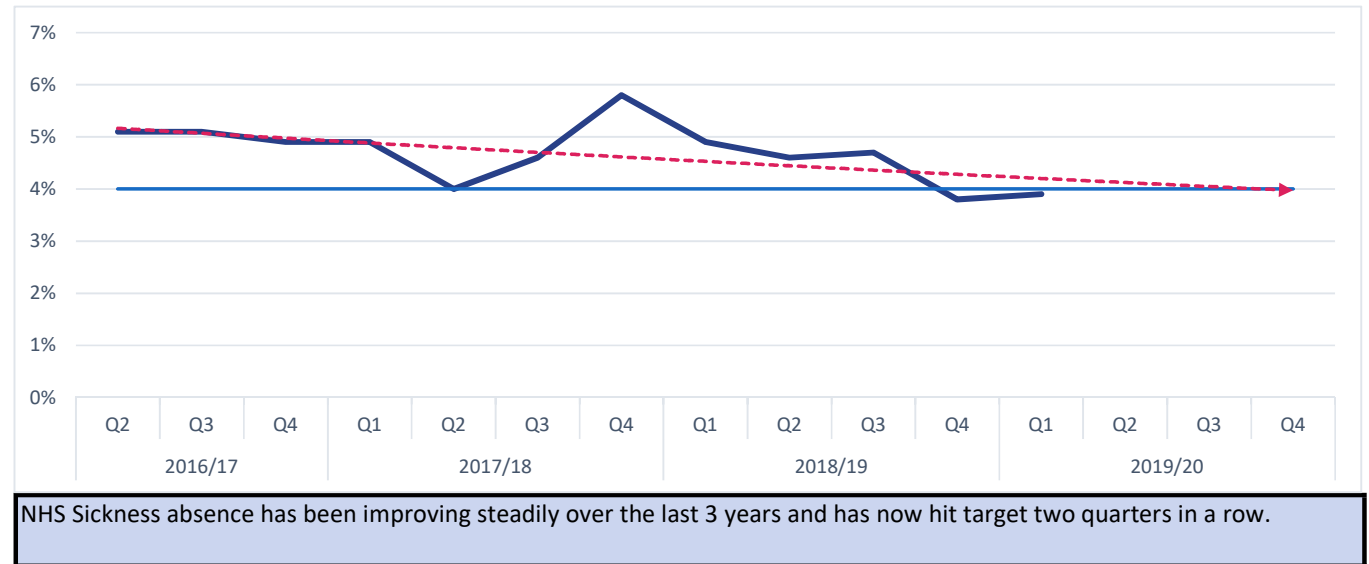
Financial Year	▲	Total number	Done in 20 days	
2017/18	Q1	10	2	20.0%
	Q2	14	8	57.1%
	Q3	10	1	10.0%
	Q4	19	13	68.4%
2018/19	Q1	8	4	50.0%
	Q2	11	6	54.5%
	Q3	18	9	50.0%
	Q4	24	13	54.2%
2019/20	Q1	12	4	33.3%
	Q2			
	Q3			
	Q4			



Despite an increasing trend there was a significant drop in performance in this measure in Q1. Due to the small numbers this measure is volatile.

L20 NHS Sickness Absence % of Hours Lost

Financial Year		▼	Target
2016/17	Q2	5.1%	4%
	Q3	5.1%	4%
	Q4	4.9%	4%
2017/18	Q1	4.9%	4%
	Q2	4.0%	4%
	Q3	4.6%	4%
	Q4	5.8%	4%
2018/19	Q1	4.9%	4%
	Q2	4.6%	4%
	Q3	4.7%	4%
	Q4	3.8%	4%
2019/20	Q1	3.9%	4%
	Q2		4%
	Q3		4%
	Q4		4%



L21 Council Sickness Absence (% of Calendar Days Lost)

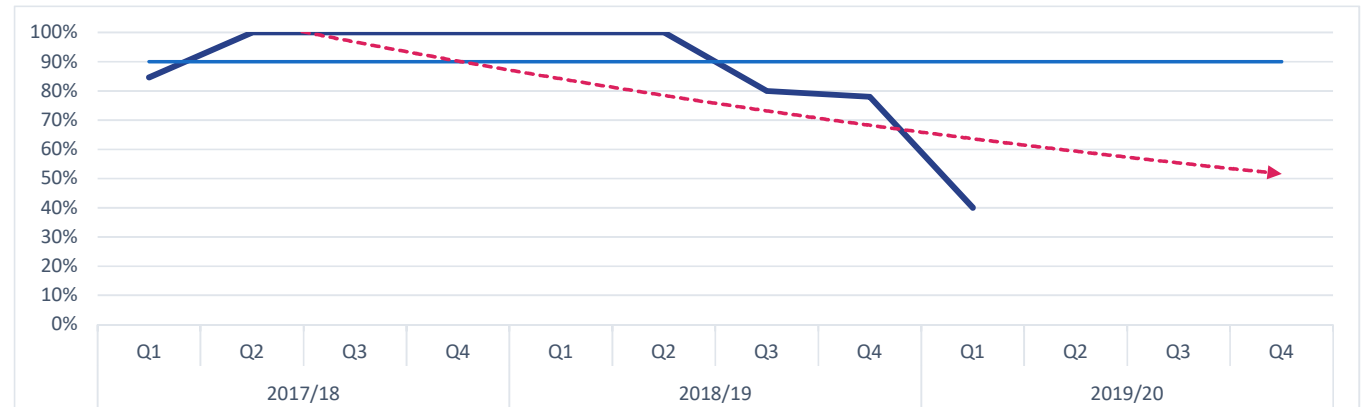
Financial Year		▼
2018/19	Q1	7.9%
	Q2	8.1%
	Q3	8.3%
	Q4	7.4%
2019/20	Q1	7.7%
	Q2	
	Q3	
	Q4	



This measure is consistently very high and despite a reducing trend has been acknowledged by the Performance Management Group where actions are being undertaken to improve this.

L41 Percentage of patients commencing Psychological Therapy Treatment within 18 weeks of referral (adults only)

Financial Year		▲	Target
2017/18	Q1	84.6%	90%
	Q2	100.0%	90%
	Q3	100.0%	90%
	Q4	100.0%	90%
2018/19	Q1	100.0%	90%
	Q2	100.0%	90%
	Q3	80.0%	90%
	Q4	78%	90%
2019/20	Q1	40.0%	90%
	Q2		90%
	Q3		90%
	Q4		90%



This measure has been dropping over the last 3 quarters and improvement is not expected until Q3/Q4 2019/20.



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 19 SEPTEMBER 2019

SUBJECT: PLANNED INTERNAL AUDIT WORK FOR 2019/20

BY: CHIEF INTERNAL AUDITOR

1. REASON FOR REPORT

- 1.1 To provide the Committee with information on the areas of work to be included in the Internal Audit plan for the remainder of the 2019/20 financial year

2. RECOMMENDATION

- 2.1 **That the Audit, Performance and Risk Committee considers and notes the contents of this report and the outcomes and assurances expected from each of the selected project areas.**

3. REPORT

Context

- 3.1 There is an on-going requirement for internal audit to provide annual assurances to the Moray Integration Joint Board (MIJB) on the systems of internal control operating within Health and Social Care Moray (HSCM). Some of these will be drawn from continuing processes under control of the council or NHS respectively, e.g. payroll or payments systems although increasingly there may be topics that can be considered as 'owned' specifically by the IJB e.g. risk management.
- 3.2 In March, Internal Audit asked the HSCM Senior Management Team (SMT) for areas of work where it was considered internal audit could make a contribution through its work programme. In May feedback was received that the focus should be on:
- Adaptations governance
 - Care Homes /Residential Nursing (excluding assessment criteria) and
 - Equipment

Adaptations Governance

- 3.3 It is expected this audit will consider the utilisation of the budget allocation for improvement grants noted as comprising £925k in total for 2019/20. Of this £500k is being made available under general services to support adaptations to private sector housing and £425k ring fenced for adaptations to council housing. It is proposed that the audit will consider how potential uses for this budget are determined and prioritised, look at timeliness of completion of approved works and the consequences of delays, and test project management arrangements to assess whether value for money is being achieved.

- 3.4 For information, a prior internal audit report for Moray Council on this topic in 2015 noted that

‘the Council has gradually reduced the budget for discretionary grants to fund statutory mandatory grants that enable older and vulnerable owner-occupiers to adapt their homes to meet their mobility needs....., and that a recent major study in England found that grant funding for adaptations had in many cases enabled recipients to continue independent living for longer. This has had the effect of reducing the level of social care spending on care at home in the first instance and ultimately delaying a requirement for residential care services.’

Care Homes/Residential Nursing (excluding assessment criteria)

- 3.5 **Residential Care costs for the elderly** at some £8.6 million accounts for around half of the annual budget identified as assessment and care. This topic has been subject to a relatively recent internal audit for permanent care placements. The audit involved reviewing the processes for assessing client need, determining the care packages required, and allocating resources. Part of the audit involved sitting in on the Resource Allocation Panel. Testing was then carried out on the application of the Charging for Residential Care Guidance and of the contributions made by selected service users following financial assessment of their ability to pay.
- 3.6 Additionally, internal audit testing also picks up occasional regularity testing of care payments in the council wide sampling of payments processed, and external audit in its recent management letter for Moray Council (June 19) reported that it would be carrying out testing in this area, given their observation that payment runs proceed without positive assurances being obtained from care homes that the service users remain in residence and are eligible for payment.
- 3.7 Results from an earlier audit overall found sound processes in place and the intention would be to engage further with management to ensure the scope of the audit adds value beyond re-affirming the findings from the prior audit.

Equipment

- 3.8 An audit of **equipment** has been requested and the scope of this will require further work to ensure project aims and objectives are more fully defined. The principal area involving equipment and having prior audit input is an Occupational Therapy store that supplies equipment to support individuals

with specific needs to live independently in their own homes. The audit focus up to now has been around stock control measures and year end valuation of equipment stocks for accounting purposes.

- 3.9 At one point, NHS Grampian had a store of similar equipment in a separate area within the stores building and should this be the area in mind for an equipment audit further work could be done to see if processes could be streamlined and better use made of a recently acquired stores system.
- 3.10 Another area where equipment might feature in an audit could be in relation to recording and tracking of attractive/higher value items purchased and assessing whether suitable controls have been established to protect these assets.

Learning Disabilities

- 3.11 At the meeting of the Audit, Performance and Risk Committee on 13 December 2018 (paragraph 5 of the Minute refers), interim findings on a review of Learning Disabilities (LD) that was commenced but not taken fully to conclusion was reported. The objective of the audit was to consider the effectiveness of current contracts in place and of the monitoring and review procedures, given the significant expenditure in this area.
- 3.12 The work completed involved an analysis of costs incurred to determine the scope of service provision, much of which was being delivered through contracts placed with private sector providers. These contracts were noted as having been extended a number of times and, in some cases, had been identified by service management as being in need of urgent review due to commissioned services no longer meeting service user needs.
- 3.13 The report noted that a transformation programme of LD services has been underway since 2016 and that LD had prioritised a review of the contracts where there was the greatest need to move to a re-designed model of service provision. A programme of decommissioning existing services and recommissioning of new services has commenced and continues and, in line with a request from the Committee, further audit work is required to assess and report on progress in this area.

Joint working

- 3.14 Joint working with the internal auditors for Aberdeen City and Aberdeenshire Councils (who provide services to their respective IJBs) and with PricewaterhouseCoopers (PwC) the appointed internal auditors of NHS Grampian continues to be explored, albeit for now this principally relates to dialogue on matters of common interest as opposed to taking forward specific audit tasks.
- 3.15 The single issue currently under consideration relates to business continuity, with audit work having been undertaken on this topic for Aberdeenshire IJB. Similar work is underway by PwC for NHS Grampian including aspects of the audit covering issues within the ambit of the MIJB. Terms of reference have been agreed for the audit albeit there appears still to be challenges around how the roles of both the Council and NHS (each as Category 1 responders) are aligned with the responsibilities of the MIJB.

Ad hoc works

- 3.16 A contribution to the Self Directed Support steering group and year end work for accounting purposes will continue subject to resource availability and the needs of the service.
- 3.17 Work also will be required to follow up the recommendations made in the 'Carefirst Information Governance' audit completed last year which had a number of action points agreed to be taken forward within the service.
- 3.18 Any other ad-hoc requests will be subject to discussion and agreement before being taken into the plan.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

Not directly applicable.

(b) Policy and Legal

The internal audit service is provided in terms of paragraph 7:1 of the Local Authority Accounts (Scotland) Regulations 2014, and there is a requirement to provide a service in accordance with published Public Sector Internal Audit Standards. This requirement includes seeking service input into audit plans in order to inform the work programme.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications

Consulting on potential areas for audit enables audit work to be undertaken in areas where optimum benefits can be secured for services and the necessary audit assurances can be obtained.

(e) Staffing Implications

The audit plan shall be aligned to the audit staff resources available to undertake the work.

(f) Property

No implications.

(g) Equalities/ Socio Economic Impacts

No implications.

(h) Consultations

SMT was consulted as to potential topics for inclusion in the audit plan, and some further inputs will be required to ensure the optimum scope for each audit is determined.

5. CONCLUSION

5.1 This report provides information on audit projects selected for inclusion in the audit plan.

Author of Report:	Atholl Scott, Chief Internal Auditor
Background Papers:	Internal Audit Files
Ref:	mijb/ap&rc/190919



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 19 SEPTEMBER 2019

SUBJECT: STRATEGIC RISK REGISTER – SEPTEMBER 2019

BY: CHIEF OFFICER

1. REASON FOR REPORT

- 1.1 To provide an overview of the current strategic risks, along with a summary of actions which are in place to mitigate those risks, updated as at 1 September 2019.

2. RECOMMENDATION

- 2.1 It is recommended that the Audit, Performance and Risk Committee consider and note the:

- i) updated Strategic Risk Register; and
- ii) amended action log

3. BACKGROUND

- 3.1 The strategic risk register is reviewed regularly as part of a robust risk monitoring framework, to identify, assess and prioritise risks related to the delivery of services in relation to delegated functions, particularly any which are likely to affect the delivery of the Strategic Plan.
- 3.2 The Moray Integration Joint Board (MIJB) Strategic Risk Register is attached to this report as **APPENDIX 1** and sets out the inherent risks being faced by the MIJB, together with a current assessment on the level of the risks and any mitigation actions being taken to reduce the impact of the risks.
- 3.3 Following consideration of the Strategic Risk Register report at the meeting of 28 March 2019 (para 6 of the draft minute refers) the committee requested that timescales be reviewed to ensure that they were aligned to the amended timeline for the developing Strategic Plan and associated documents. The Action Log has been amended and is now attached as **APPENDIX 2**. This action log is owned and progress monitored by the Senior Management Team.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 Risk scores are weighted based on assessment according to their likelihood and corresponding impact as per Section 5 of the MIJB Risk Policy.
- 4.2 Changes such as inclusion or removal from the register are agreed by the Chief Officer and Senior Management Team before submission to Audit, Performance and Risk Committee for review.
- 4.3 Strategic Risks will be reviewed as the new Strategic Plan for 2019-2022 is developed and this document will be revised accordingly.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

The MIJB requires effective governance arrangements for those services and functions delegated to it and Risk Management systems are integral to this.

(b) Policy and Legal

As set out in the terms of reference, this Committee has responsibility to provide assurance of the adequacy of the risk management framework.

There are no legal implications arising from this report.

(c) Financial implications

There are no direct financial implications arising from this report however the Committee should note the failure to manage risks effectively could have a financial impact for the MIJB.

(d) Risk Implications and Mitigation

This report forms part of the governance arrangements for identifying and managing strategic risks of the IJB.

(e) Staffing Implications

There are no additional staffing implications arising from this report. Senior Management Team have considered areas of high risk and are seeking to redeploy staff to address these as a matter of urgency.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required because there are no service, policy or organisational changes being proposed.

(h) Consultations

Consultations have been undertaken with the Chief Financial Officer and Chief Internal Auditor and comments have been incorporated in this report.

6. CONCLUSION

6.1 This report recommends the Committee note the revised and updated version of the Strategic Risk Register.

Author of Report:	Jeanette Netherwood, Corporate Manager
Background Papers:	held by author
Ref:	

HEALTH AND SOCIAL CARE MORAY STRATEGIC RISK REGISTER

AS AT SEPTEMBER 2019

1

RISK SUMMARY

1. The Moray Integration Joint Board (MIJB) does not function as set out within the Integration Scheme, Strategic Plan and in-line with Standing Orders and fails to deliver its objectives or expected outcomes.
2. There is a risk of MIJB financial failure in that the demand for services outstripping available financial resources. Financial pressures being experienced by the funding Partners will directly impact on decision making and prioritisation of MIJB
3. Inability to recruit and retain qualified and experienced staff whilst ensuring staff are fully able to manage changes resulting from integration.
4. Inability to demonstrate effective governance and effective communication with stakeholders.
5. Inability to deal with unforeseen external emergencies or incidents as a result of inadequate emergency planning and resilience.
6. Risk to MIJB decisions resulting in litigation/judicial review. Expectations from external inspections are not met.
7. Inability to achieve progress in relation to national Health and Wellbeing Outcomes. Performance falls below acceptable level.
8. Risk of major disruption in continuity of ICT operations including data security being compromised.
9. Requirements for ICT and Property are not prioritised by NHS Grampian and Moray Council.

RISK RATING	LOW	MEDIUM	HIGH	VERY HIGH
RISK MOVEMENT	DECREASE	NO CHANGE	INCREASE	

The process for managing risk is documented out with the MIJB Risk Policy.

1		
Description of Risk: <i>Political</i>	The Integration Joint Board (IJB) does not function as set out within the Integration Scheme, Strategic Plan and Scheme of Administration and fails to deliver its objectives or expected outcomes.	
Lead:	Chief Officer	
Risk Rating:	Low/ medium/ high/ very high	HIGH
Risk Movement:	Increase/ decrease/ no change	NO CHANGE
Rationale for Risk Rating:	Membership of IJB committees has been stable and the majority of members have attended several cycles of meetings. Moray Council political balance has remained consistent since July 2018. The strategic plan is due for renewal and as the strategic objectives and expected outcomes are integral to this. The risk will remain high until the strategic direction is approved.	
Rationale for Risk Appetite:	The MIJB has zero appetite for failure to meet its legal and statutory requirements and functions.	
Controls:	<ul style="list-style-type: none"> • Integration Scheme. • Strategic Plan 2016 to 2019. • Governance arrangements formally documented and approved. • Agreed risk appetite statement. • Performance reporting mechanisms. • Consultation with legal representative for all reports to committees and attendance at committee for key reports. 	
Mitigating Actions:	<p>Induction sessions are held for new IJB members. IJB voting member briefings are held regularly. Conduct and Standards training held for IJB Members July 18</p> <p>SMT regular meetings and directing managers and teams to focus on priorities.</p> <p>Regular development sessions held with IJB, Operational Management Team and SMT</p> <p>Strategic Plan is being developed for implementation. New organisation structure and wider system re-design and transformation governance structures being developed for implementation at the same time and will be presented to IJB in October 2019 for consideration</p>	
Assurances:	<ul style="list-style-type: none"> • Audit, Performance and Risk Committee oversight and scrutiny. • Internal Audit function and Reporting • Reporting to Board. 	

Gaps in assurance:	None known
Current performance:	Scheme of administration is reported when any changes are required. Report outlining the development of the transformation plan and the Strategic Planning and Commissioning Group providing oversight was presented and approved by MIJB on 29 November 2018. Report on Standards Officer agreed by IJB March 2019
Comments:	Draft Performance Management Framework, aligned to strategic planning and resources was presented to MIJB (Jan 18). Framework is under further development and Implementation is being progressed through HSCM Performance meetings. The Framework will continue to be developed as we confirm our new organisational structure and alignment to the new Strategic Plan will be a key focus. A report will be submitted to MIJB in October 2019 as part of the suite of reports outlining the direction and governance arrangements for the IJB.

2		
Description of Risk: <i>Financial</i>	There is a risk of MIJB financial failure in that the demand for services outstrips available financial resources. Financial pressures being experienced by the funding Partners will directly impact on decision making and prioritisation of MIJB	
Lead:	Chief Officer/Chief Financial Officer	
Risk Rating:	Low/ medium/ high/ very high	VERY HIGH
Risk Movement:	Increase/ decrease/ no change	NO CHANGE
Rationale for Risk Rating:	<p>Previous funding cuts from Moray Council have been significant 2017/18 (£1.3m) and 2018/19 (£1.759m Gross). The 2019/20 settlement saw additional investment for health and social care. Although this was passed through to the MIJB there remains a significant funding gap as much of the new investment related to new commitments. Financial settlements are set to continue on a one year only basis, which does not support sound financial planning</p> <p>Demand on services continues to rise and the IJB has no remaining reserves to be utilised.</p> <p>At the end of Qtr 4 in the 2018/19 financial year the IJB had an overspend of £1.2m This deficit was requested to be funded by the partners in the agreed proportionate split as per the Integration Scheme. This resulted in NHSG contributing £751k and Moray Council £441k. The recovery plan has been developed and was agreed with the Finance Directors in the partner organisations and presented to the MIJB in November 2018. The Recovery Plan will be monitored and reported to the MIJB throughout 19/20. At the end of Quarter 1 the recovery plan is on target to deliver, however, there remains an overspend. In November 2019, the Quarter 2 position will be reported to the IJB together with a forecast for the full financial year.</p>	

Rationale for Risk Appetite:	MIJB recognises the pressures on the funding partners but also recognises the significant range of statutory services and nationally agreed contracts it is required to deliver on within that finite budget. MIJB has expressed a zero appetite for risk of harm to people.
Controls:	Chief Finance Officer appointed - this role is crucial in ensuring sound financial management and supporting financial decision making, budget reporting and escalation. Corrective action has been implemented through correspondence with budget holders and increased scrutiny at senior management level. Recovery Plan agreed and to be monitored regularly. Service reviews have commenced and outcomes will be reported to the IJB.
Mitigating Actions:	<p>Risk remains that the MIJB can deliver transformation and efficiencies at the pace required. Financial information is reported regularly to both the MIJB and Senior Management Team.</p> <p>The Chief Officer and Chief Financial Officer (CFO) continue to engage in finance discussions with key personnel of both NHS Grampian and Moray Council. These conversations will continue in preparation of the 2020/21 budget setting process to ensure the MIJB perspective is considered as part of the budget setting processes of the Partners. This MIJB has seen a definite benefit as a result of this process in the 2019/20 budget setting process and allocations.</p> <p>Chief Officer and CFO will continue to engage with the partner organisations in respect of the financial position throughout the year with a focus on the progress of the recovery plan. Quarterly partnership meetings with a focus on finance have been put in place with partner CEOs, Finance Directors and the Chair/Vice Chair of the IJB.</p> <p>The MIJB is acutely aware of the recurring overspend on its core services. In addition to the Recovery Plan, service reviews will be carried out during 2019/20 to ensure services are prioritised in accordance with the Strategic Plan whilst working within the funding allocated.</p>
Assurances:	MIJB oversight and scrutiny of budget. Reporting through MIJB, NHS Grampian Board and Moray Council.
Gaps in assurance:	None known
Current performance:	Budget Outturn for 2018/19 saw an overspend after consideration of strategic funds of £1.2m. This was met by NHSG and MC in the agreed proportions of 63% / 37% respectively as per the Integration Scheme. Plans are being progressed in relation to service planning and financial review during 2019/20.
Comments:	Senior managers to work with Chief Officer and Chief Financial Officer to address the continuing financial challenge and forecast overspend. Through reporting, regular updates will be provided to the MIJB, Moray Council and NHS Grampian as part of the risk sharing arrangement in place.

3		
Description of Risk: <i>Human Resources (People):</i>	Inability to recruit and retain qualified and experienced staff whilst ensuring staff are fully able to manage change resulting from Integration	
Lead:	Chief Officer	
Risk Rating:	Low/ medium/ high/ very high	MEDIUM
Risk Movement:	Increase/ decrease/ no change	INCREASING
Rationale for Risk Rating:	<p>Some front line services are experiencing difficulties with recruitment to vacancies requiring specific skills and experience, and this places pressure on existing staff.</p> <p>The impact of budgetary decisions by the Council in relation to reducing staffing levels has reduced levels of support provided in some key areas for Health and Social Care Moray (HSCM), such as ICT, HR, Legal and design. Council services are still determining what elements of service provision need to reduce and we are working with these services to establish our level of support.</p> <p>Some social work services are experiencing high levels of sickness absence and difficulties with recruitment with associated impacts on service delivery. This is also an identified issue in Mental Health where recruitment to a key clinical post has been out to advert five times without successful appointment.</p>	
Rationale for Risk Appetite:	The MIJB is acutely aware of the lean management team in place and the strain this can place on the wider system.	
Controls:	<p>Management structure in place with updates reported to the MIJB.</p> <p>Organisational Development and Workforce Plans were developed and aligned with service priorities and are being updated to align to the new strategic plan.</p> <p>Continued activity to address specific recruitment and retention issues. The chief social worker is reviewing the situation with managers and considering options for addressing the particular issues affecting social work services.</p> <p>Management competencies continue to be developed through Kings Fund training.</p> <p>Communications Strategy approved in June 2017, currently being reviewed as part of Strategic plan suite of papers.</p> <p>Incident reporting procedures in place per NHSG and Moray Council arrangements.</p> <p>Council and NHS performance systems in operation with HSCM reporting being further developed.</p>	

	SMT review vacancies and approve for recruitment
Mitigating Actions:	<p>System re-design and transformation. Support has been provided from NHSG with transformation and our co-ordinated working with Dr Grays in a one system – one budget approach through the Moray Alliance.</p> <p>The Management Structure presented to the MIJB meeting on 28 March 2019 and then to Moray Council Full Council for information on 27 June 2019 has progress with ring fenced staff being appointed. Closing date for the remaining 3 Locality manager posts is Friday 13 September, with interviews later in the month.</p> <p>Joint Workforce Planning and re-establishment of the joint workforce forum in September 2019.</p> <p>Lead Managers are involved in regional and national initiatives to ensure all learning is adopted to improve this position.</p> <p>Lead Managers and Professional Leads are linked to University Planning for intakes and programmes for future workforce development.</p>
Assurances:	<p>Operational oversight by Moray Workforce Forum and reported to MIJB.</p> <p>Organisational Steering Group is overseeing the management structure review</p>
Gaps in assurance:	<p>Joint or single system not yet agreed for incident reporting.</p> <p>Organisational Development Plan presented and approved at MIJB in January 2018 is due for update – to be reported to MIJB in October 2019.</p> <p>Workforce plan is due for update – to be reported to MIJB in October 2019</p> <p>Communications strategy is due for update – to be reported to MIJB in October 2019</p>
Current performance:	iMatter survey undertaken during July 2018 across all operational areas. Insufficient responses from some services has meant that action plans have not been developed. The survey for July 2019 has been undertaken and whilst there was an improvement in response rate there are still teams that need to progress. This is to be addressed through Senior Management Team and Systems Leadership Group, the new joint group replacing the previous OMT.
Comments:	<p>Regular reporting and management control in place</p> <p>The Workforce plan will be developed and aligned with the strategic plan 2019- 2022</p>

4		
Description of Risk:	Inability to demonstrate effective governance and effective communication with stakeholders.	
<i>Regulatory:</i>		
Lead:	Chief Officer	
Risk Rating:	low/medium/high/very high	MEDIUM

Risk Movement:	increase/decrease/no change	NO CHANGE
Rationale for Risk Rating:	Locality planning assessed as medium in relation to ability to work at the pace required and current workforce capacity. Performance framework to be further developed from a planning perspective to show the links through operational service delivery to strategic objectives.	
Rationale for Risk Appetite:	The MIJB has a low risk appetite to failure.	
Controls:	Annual Governance statement produced as part of the Annual Accounts 2018/19 and submitted to External Audit by the statutory deadline Performance reporting mechanisms in place and being further developed through performance management group. Community engagement in place for key projects areas such as Forres and Keith with information being made available to stakeholders and the wider public via HSCM website.	
Mitigating Actions:	Schedule of Committee meetings and development days in place and implemented. Good working relationship established with Audit Scotland, the MIJB's appointed external auditors since 16/17. Annual Performance Report published in August 2019. Lessons learnt were incorporated into the approach for the production of the 2018/19. Report was published on 2 August 2019 against a target of 31 July 2019.	
Assurances:	Oversight and scrutiny by Clinical and Care Governance Committee, Audit Performance and Risk Committee and MIJB. Internal audit of Health Governance was been carried out by PricewaterhouseCoopers. The findings will be reported to a future meeting of the Audit, Performance and Risk committee following scrutiny by NHSG Audit Committee.	
Gaps in assurance:	Discussions at the development session held by Clinical and Care Governance Committee on 29 November 2018 identified areas to be covered at Committee in future reports. A programme of reports to Clinical Governance Group has been developed and exception reports will be submitted to CCG Committee.	
Current performance:	Communications Strategy developed and approved by MIJB in June 2017. Annual Performance Report 2017/18 published August 2018. Draft Annual Performance Report 2018/19 due for publication on 31 July 2019 Draft Annual Accounts (2018/19) published by the statutory deadline of 30 June. Audited Accounts for 2018/19 due for publication by 30 September 2019	
Comments:	NHS Grampian System Leadership Team are developing their framework for governance and HSCM are fully engaging and participating in this process. HSCM are progressing with setting out the Governance framework for their functions across services (ie Health and Safety, Civil Contingencies, Risk Management, Performance Management etc) and linkages with NHS and Council groups to facilitate communication flows. PwC Internal Audit of Health Governance completed	

5		
Description of Risk: <i>Environmental:</i>	Inability to deal with unforeseen external emergencies or incidents as a result of inadequate emergency planning and resilience.	
Lead:	Chief Officer	
Risk Rating:	low/medium/high/very high	HIGH
Risk Movement:	increase/decrease/no change	INCREASED
Rationale for Risk Rating:	<p>Resilience standards and implementation plan agreed however progress is behind target.</p> <p>Potential impact of Brexit is being assessed at a National level and have highlighted key areas for assessment. Work is being undertaken by NHS Grampian and Moray Council to assess potential issues on workforce and potential impacts resulting from supply chain disruption (medical supplies, energy/fuel supplies) as well as potential for increased civil disruption. It is likely Scottish Government will establish the same arrangements that were in place from 18 March for EU exit when a date is provided by UK Government.</p> <p>The Grampian Emergency Planning unit that has provided specialist advice, support and planning resource for Emergency Planning across Grampian was disbanded in August 2019. This has altered response mechanisms for the Moray Council and a review of protocols for communication has been undertaken.</p> <p>HSCM Business Impact Analysis (BIA) and Business Continuity Plans (BCP) are largely overdue for update and work is ongoing to establish the system wide understanding of the critical functions.</p> <p>Scottish Government have published the national Mass Casualties Plan for implementation by 1 September that has implications for Chief Officers and senior teams of all Health and Social Care Partnerships. NHS Grampina Civil Contingencies unit are leading on the distribution of information and briefing of this subject.</p>	
Rationale for Risk Appetite:	The MIJB understand the requirement to meet the statutory obligations set out within the Civil Contingencies Act.	
Controls:	<p>Surge Plan in place and has been tested alongside NHSG plans for winter, currently being updated for 2019 and exercise dates established.</p> <p>HSCM Civil Contingencies group established and meeting regularly to address priority subjects.</p> <p>NHS Grampian Resilience Standards Action Plan approved (3 year).</p> <p>Business Continuity Plans in place for most services although overdue a review in many areas .</p>	
Mitigating	HSCM resilience group met 31 May and agreed the recommendation that all BIA and BCP to be updated by 31 July	

Actions:	<p>2019.</p> <p>Information from the updated BIA/BCP will inform elements of the Winter Plan (Surge plan).</p> <p>Pandemic awareness briefing by Maha Saeed, Consultant Lead, held 12 December for service managers across HSCM. Pandemic plan in draft and requires testing</p> <p>Practitioner group established for Moray with representation from HSCM, Dr Grays, Moray Council and NHSG to discuss matters arising from the Local Resilience Forum and within our respective organisations. In addition it will provide a forum for discussion of the linkages between organisational response plans to ensure there are no gaps or over reliance on particular local resources.</p> <p>Briefing for Mass Casualties Plan held by NHSG Civil Contingencies Unit for HSCM managers on 10 September 2019.</p>
Assurances:	Audit, Performance and Risk Committee and NHS Grampian Civil Contingencies Group oversight and scrutiny.
Gaps in assurance:	<p>Programme and implementation of Table top exercises for business continuity. Table top exercises scheduled in HSCM to test loss of electricity (2 September 2019) and command and control arrangements (18 November 2019) in the first instance. In addition table tops are scheduled for the winter/surge plan in Moray and Grampian.</p> <p>Some progress has been made however further work required to address the targets in the implementation plan that have not been met and the Resilience standards as identified by the NHSG Civil Contingencies Group.</p> <p>In addition to preparation for normal business continuity arrangements, the three HSCP in Grampian were requested by NHSG Civil Contingencies group to complete their pandemic flu plans by end of April 2019. This has been progressed however cannot be finalised until the Scottish Government guidance has been finalised.</p>
Current performance:	<p>Many services have business continuity arrangements however the majority are overdue for an update. These updates will include consideration of the impact of a Pandemic following the briefing session held on 12 December 2018.</p> <p>Annual report on progress against NHS resilience standards to be submitted to a future meeting.</p>
Comments:	The HSCM resilience group will schedule and review progress in achieving the NHSG resilience standards, reporting updates to System Leadership Group.

6		
Description of Risk: <i>Reputational</i>	Risk to MIJB decisions resulting in litigation/judicial review. Expectations from external inspections are not met.	
Lead:	Chief Officer	
Risk Rating:	low/medium/high/very high	MEDIUM
Risk Movement:	increase/decrease/no change	NO CHANGE
Rationale for Risk Rating:	Considered medium risk due to the reporting arrangements being relatively new	
Rationale for Risk Appetite:	<p>The MIJB has some appetite for reputational risk relating to testing change and being innovative.</p> <p>The MIJB has zero appetite for harm happening to people.</p>	
Controls:	<p>Clinical and Care Governance (CCG) Committee established and future reporting requirements identified</p> <p>Links for operational Risk Registers being further developed</p> <p>Complaints procedure in place.</p> <p>Clinical risks being reviewed on a weekly basis to ensure processes are followed appropriately and consistently and responses are recorded in a timely manner.</p> <p>Adverse events and duty of candour procedures in place and being actioned where appropriate and summary reports submitted to Clinical Care & Governance committee.</p> <p>Reports from external inspections reported to appropriate operational groups and by exception to SMT for subsequent reporting to CCG or Audit Performance and Risk Committee as appropriate.</p>	
Mitigating Actions:	<p>This is discussed regularly by the three North East Chief Officers.</p> <p>Additional resource has been allocated to support the analysis of information for presentation to CCG committee</p> <p>Process for sign off and monitoring actions arising from Internal and External audits has been agreed</p>	
Assurances:	Audit, Performance and Risk and Clinical and Care Governance Sub-Committees oversight and scrutiny.	
Gaps in assurance:	Process for highlighting recurring themes or strategic expectations from external inspections requires further development to ensure Committee has sight of significant issues.	
Current performance:	<p>External inspection reports are reviewed and actions arising are allocated to officers for taking forward.</p> <p>Internal Audits by Price Waterhouse Cooper on Health and Safety Governance and Unscheduled Care Discharge</p>	

	Process have not raised any significant issues.
Comments:	Report was published in June 2019 for the Self-Directed Support Thematic review by the Care Inspectorate that took place during October 2018. The report makes very positive comment on the progress being made and the level of understanding of the staff at the core of this service. An area for further development was highlighted in regard to training of staff going forward and for increasing Health staff knowledge about the process and signposting opportunities.

7		
Description of Risk: <i>Operational Continuity and Performance:</i>	Inability to achieve progress in relation to national Health and Wellbeing Outcomes. Performance of services falls below acceptable level.	
Lead:	Chief Officer	
Risk Rating:	low/medium/high/very high	MEDIUM
Risk Movement:	increase/decrease/no change	NO CHANGE
Rationale for Risk Rating:	Potential impacts to the wide range of services in NHS Grampian and Moray Council commissioned by the MIJB arising from reductions in available staff resources as budgetary constraints impact. Unplanned admissions or delayed discharges place additional cost and capacity burdens on the service and currently there is no reduction in the levels being experienced.	
Rationale for Risk Appetite:	Zero tolerance of harm happening to people as a result of action or inaction.	
Controls:	Performance Management reporting framework. 2016-19 Strategic Plan and Implementation Plan developed and approved. Performance regularly reported to MIJB. Revised Scorecard being developed. Best practice elements from each body brought together to mitigate risks to MIJB's objectives and outcomes. Chief Officer and SMT managing workload pressures as part of budget process.	

Mitigating Actions:	<p>Service managers monitor performance regularly with their teams and escalate any issues to the Performance Management Group for further discussion to provide wider support, developing shared ownership and a greater understanding across the whole system.</p> <p>Performance Management Group are reviewing key performance indicators across HSCM services to align with the revised strategic plan.</p> <p>A key area of focus where performance data is below target relates to Delayed discharges. These indicators and associated performance information are monitored closely locally via weekly “huddle” meetings and there is a monthly focus on aspects of unscheduled care. In addition HSCM have contributed information to a review by Chief Officers Group Health and Social Care Scotland, working with Scottish Government, in relation to reducing Delayed Discharges. A workshop was held on 23 July 2019 with representatives from all services involved in elderly patient care in hospital and on into the community to work collaboratively to identify potential opportunities for improvement. The output from these sessions will be collated into actions that will be fed into the transformational plan.</p>
Assurances:	<p>Audit, Performance and Risk Committee oversight.</p> <p>Operationally managed by service managers, receiving reports from Performance management group (which has a specific focus on performance). Strategic direction provided by Systems Leadership Group.</p>
Gaps in assurance:	<p>Development work will be undertaken to establishing clear links to performance that describe the changes proposed by actions identified in the new Strategic Plan</p>
Current performance:	<p>Close monitoring and performance management in place.</p> <p>The process for production of the Strategic Plan 2019-22 is underway and will facilitate further linkages across operational, Local and National Performance Indicators with progress in delivery of the National Outcomes as a clear focus.</p>
Comments:	<p>Regular and ongoing reporting.</p> <p>Work is progressing with performance monitoring and reporting with key performance indicators and appropriate owners being identified in Mental Health, Drug and Alcohol and Provider Services. Development of the Ministerial Steering Group indicators and links to local indicators that underpin them is underway.</p>

8	
Description of Risk: <i>ICT</i>	Risk of major disruption in continuity of ICT operations, including data security, being compromised
Lead:	Chief Officer

Risk Rating:	low/medium/high/very high	MEDIUM
Risk Movement:	increase/decrease/no change	NO CHANGE
Rationale for Risk Rating:	Corporate Information Security policies in place and staff are required to complete training and confirm they have read, understood and accept the terms of use. Impact of Brexit may result in disruption to energy supplies which could impact on continuity of ICT operations in the short term	
Rationale for Risk Appetite:	MIJB has a low tolerance in relation to not meeting requirements.	
Controls:	Computer Use Policies and HR policies in place for NHS and Moray Council and staff are required (through and automated process) to confirm they have read these every 6 months Business Continuity Plans will be updated to fully reflect ICT disruption. PSN accreditation secured by Moray Council Guidance regularly issued to staff. Guidance on effective data security measures issued to staff.	
Mitigating Actions:	Integrated Infrastructure Group established, with ICT representation from NHSG and Moray Council, to consider and provide solutions to data sharing issues and ICT infrastructure matters. Linkages to Infrastructure board and Information sharing groups have been established. Data sharing groups for Grampian and Health and Social Care Moray have been established and meetings are held regularly. They will have oversight of any issues arising from Data protection and GDPR matters from either Council or NHS systems.	
Assurances:	Strict policies and protocols in place with NHS Grampian and Moray Council.	
Gaps in assurance:	Protocol for access to systems by employees of partner bodies to be documented. Information Management arrangements to be developed and endorsed by MIJB.	
Current performance:	Training programme to be developed on records management, data protection and related issues for staff working across and between partners.	
Comments:	Business Continuity arrangements are being reviewed with ICT colleagues in NHS and Moray Council with a focus on prioritisation of critical systems and the potential impact of loss of energy and consequential impact on ICT	

9		
Description of Risk: <i>Infrastructure</i>	Requirements for ICT and Property are not prioritised by NHS Grampian and Moray Council.	
Lead:	Chief Officer	
Risk Rating:	low/medium/high/very high	HIGH
Risk Movement:	increase/decrease/no change	NO CHANGE
Rationale for Risk Rating:	<p>Changes to processes and necessary stakeholder buy-in still bedding in.</p> <p>Moray Council, in predicting a budget deficit for the current financial year have implemented special arrangements to ensure only essential expenditure is incurred. This includes the consideration to the deferring of projects already in the Capital plan.</p> <p>Interim Premises, Infrastructure and Digital Manager in place to provide additional leadership in relation to major infrastructure projects.</p>	
Rationale for Risk Appetite:	Low tolerance in relation to not meeting requirements.	
Controls:	<p>Chief Officer has regular meetings with partners</p> <p>Infrastructure Programme Board established with Chief Officer as Senior Responsible Officer/Chief Officer member of CMT. Process for submission of projects to the infrastructure board has approved and implemented to ensure appropriate oversight of all projects underway in HSCM.</p>	
Mitigating Actions:	<p>Dedicated project Manager in place – monitoring/managing risks of the Programme</p> <p>Membership of the Board reviewed and revised to ensure representation of all existing infrastructure processes and funding opportunities.</p> <p>Process for ensuring infrastructure change/investment requests developed</p> <p>Infrastructure Manager linked into other Infrastructure groups within NHSG & Moray Council to ensure level of 'gatekeeping'.</p> <p>Dr Grays site development plan is being produced collaboratively with input from NHSG and HSCM management.</p>	
Assurances:	Infrastructure Programme Board functions to provide robust governance and assurance that proposed projects have a robust business case and meets requirements of the respective partner organisations. This board reports to Strategic Planning and Commissioning Group.	
Gaps in	Further work is required on developing the process for approval for projects so that they are progressed timeously.	

assurance:	Need to review all existing processes in relation to infrastructure changes/projects/investments and streamline to avoid duplication of effort.
Current performance:	The Infrastructure Board meets regularly and highlights/exceptions are taken to OMT for communication and information purposes.
Comments:	Existing projects will be reviewed as part of the development of the new Strategic Plan process to ensure resources are being dedicated appropriately and aligned to the emerging Strategic priorities.

Strategic Risk – Action Log

<u>Risk</u>	<u>Action required</u>	<u>Lead</u>	<u>Target</u>	<u>Comment</u>
1. The Integration Joint Board (IJB) does not function as set out within the Integration Scheme, Strategic Plan and Scheme of Administration and fails to deliver its objectives or expected outcomes.	Develop to final approved Performance Management Framework, aligned to the new Strategic Plan will be a key focus.	Chief Financial Officer	Initial target March 2019 Revised date 27 June 2019 31/10/2019	Document to be presented as part of governance framework surrounding the new Strategic plan in October 2019 as part of a suite of documents
2. Inability to recruit and retain qualified and experienced staff whilst ensuring staff are fully able to manage change resulting from Integration	Update Organisational Development Plan (presented to MIJB in January 2018) and present to MIJB	Heads of Service	30 June 2019 31/10/2019	Initial intention was to have a dedicated resource however recruitment was not successful. External resource has been identified to facilitate the implementation of the management restructure with the OD and workforce plan to be produced thereafter. Corporate manager to assist with the OD plan.
	The Workforce plan will be developed and aligned with the strategic plan 2019- 2022	Heads of Service	September 31/10/2019	As above
	Services experiencing staffing resource issues due to sickness absence or vacancies are escalating matters to Heads of Service for action	Heads of Services	30/11/2019	This is a complex problem impacting on several areas in the system. A more detailed analysis of the issues and the impacts across the system is being collated for System Leadership Group. This will facilitate a prioritised and targeted approach for action .

3. Inability to demonstrate effective governance and effective communication with stakeholders.	Programme of future reports for Clinical and Care Governance Committee to be developed	Professional Lead for Clinical Governance / Heads of Service	30/6/19	In Progress - Schedule of reports has been set for Clinical Governance Group with exception reporting to Clinical and Care Governance committee. Not yet signed off as it is felt there is further refinement required.
	Communications Strategy developed and approved by MIJB in June 2017 – to be reviewed and updated	Chief Officer	June 2019 31/10/19	In Progress - As part of the Alliance funding a new communications officer started in April 2019. Revised strategy to go to MIJB in October 2019.
	Governance Frameworks documented and communicated for:- <ul style="list-style-type: none"> Clinical Governance Health and Safety Civil Contingencies Risk management Performance management Staff Governance 	Corporate Manager	28/2/19 31/3/19 31/7/19 31/10/19 31/10/19 31/10/19	In Progress Clinical Governance and Health and Safety frameworks are completed. Risk Management, Staff Governance and Civil Contingencies are progressing. Civil Contingencies requires input from partner organisations and this was being progressed through a local resilience group with representation from Moray Council, Dr Grays, NHSG and HSCM. Unfortunately the Emergency Planning officer from the council was made redundant and the business continuity officer is leaving for a new job at the end of September which may impact on progress going forward.
4. Inability to deal with unforeseen external emergencies or incidents as a result of inadequate emergency planning	Programme of implementation of table top exercises for business continuity to be established and implemented	HSCM Civil Contingencies Group (CCG)	30/9/19	In Progress – all services had agreed to update Business Impact Assessments and Business Continuity Plans by 31 July, some services still to forward information. Completed information will be used to prepare a programme.

and resilience.	Identification of staff resource to progress outstanding BC arrangements	SMT	31/3/19	Completed Interim support manager identified and working with Corporate Manager and HSCM Civil Contingencies group.
	Completion of major infectious disease/pandemic plans	Corporate Manager / HSCM CCG	30/4/19	Overdue Discussion held with colleagues in Aberdeen City and Aberdeenshire to ensure consistent approach. Delay due to Scottish Government issue of draft guidance which has raised queries but feedback has been co-ordinated by NHSG. Services information regarding critical functions is required to populate the plan and action is underway to complete by end of month..
5. Risk to MIJB decisions resulting in litigation/judicial review. Expectations from external inspections are not met.	Process for sign off and monitoring actions arising from Internal and External audits is being set out as part of the HSCM governance arrangements.	Corporate manager / Chief Internal Auditor	31/3/19	Process completed and implemented
6. Inability to achieve progress in relation to national Health and Wellbeing Outcomes. Performance of services falls below acceptable level.	Development work will be undertaken to establishing clear links to performance that describe the changes proposed by actions identified in the new Strategic Plan	Chief Financial Officer / Corporate manager / Service Managers	31/10/19	In progress Performance support team will be working with managers to progress in line with the Strategic Plan and Transformation plan development.

7. Risk of major disruption in continuity of ICT operations, including data security, being compromised	Protocol for access to systems by employees of partner bodies to be developed.	30/10/2019	Existing staff are able to access systems where appropriate, the protocol requires to be documented for implementation for new staff or where services are developing and require additional access to systems.
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REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 19 SEPT 2019

SUBJECT: DELAYED DISCHARGES

BY: SEAN COADY, HEAD OF SERVICE

1. REASON FOR REPORT

- 1.1. To inform the Audit, Performance and Risk Committee of Health and Social Care Moray performance in regards to Delayed Discharges and the actions being undertaken to address the performance within this area.

2. RECOMMENDATION

2.1 It is recommended that the Committee consider and note:

- i) the performance of Health and Social Care Moray (HSCM) in regards to Delayed Discharge;
- ii) the collated comments from the workshop on 23 July 2019 in APPENDIX 1 ; and
- iii) a progress report will be brought to this committee on 26 March 2020.

3. BACKGROUND

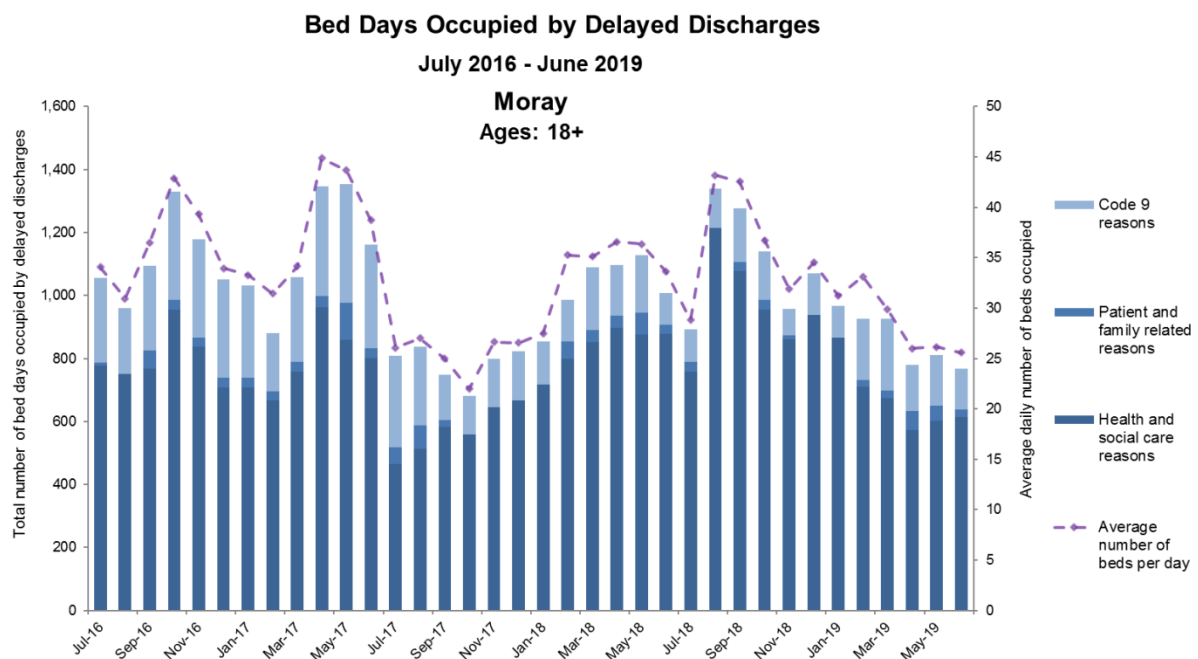
- 3.1. The purpose of this report is to provide further analysis on the current Delayed Discharge performance as requested by this committee on 28 March 2019 (para 5 of the minute refers).

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1. A delayed discharge is a hospital inpatient who is clinically ready for discharge from inpatient hospital care and who continues to occupy a hospital bed beyond the ready for discharge date. (Extensive documentation on the Delayed Discharge definition and methodology behind the process, coding and data capture can be found at: <https://www.isdscotland.org/Health-Topics/Health-and->

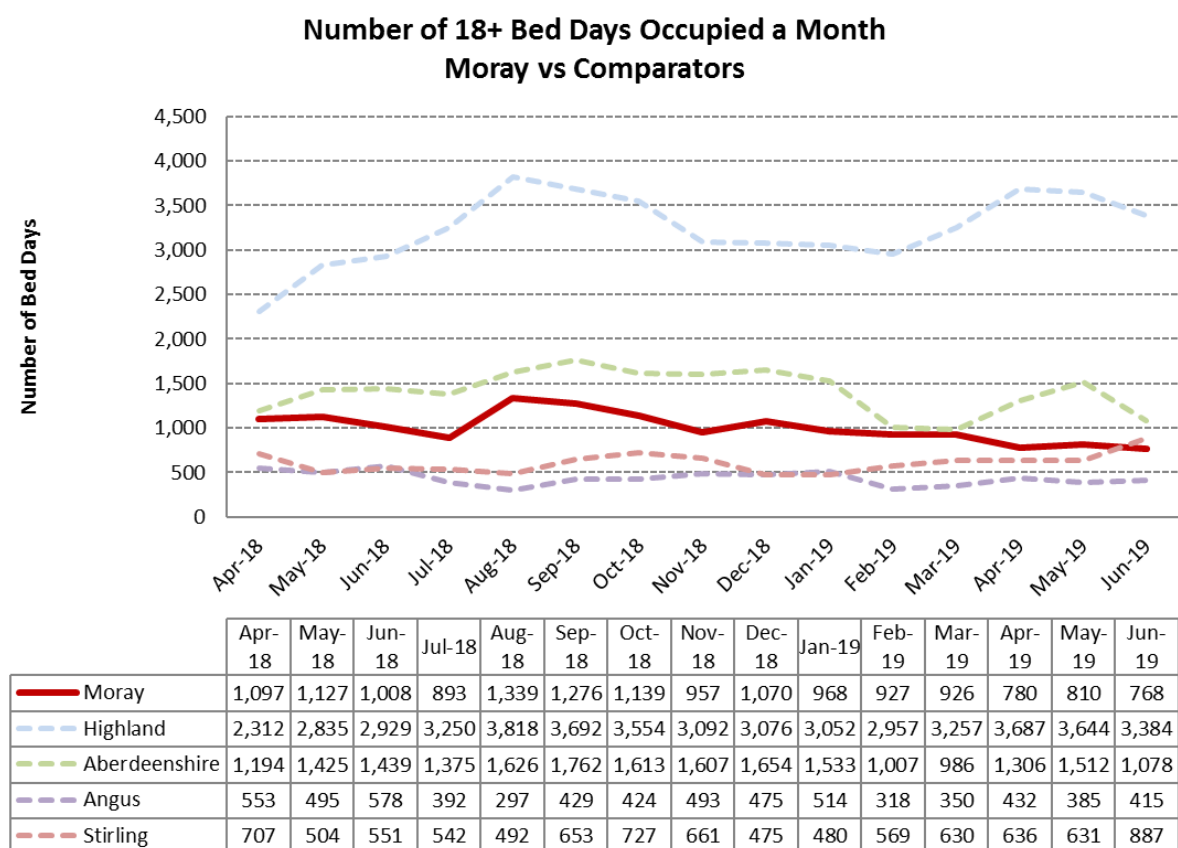
- 4.2. Timely discharge from hospital is an important indicator of quality and is a marker for person-centred, effective, integrated and harm free care.
- 4.3. The number of Bed Days Occupied by Delayed Discharge has varied considerably over the past 3 years as shown in Figure 1.
- 4.4. The reasons for delay are categorised with the majority currently being recorded as “Health and Social Care reasons”. Further detailed analysis is being undertaken to gain further understanding of the issues however a significant element of delay is attributed to waiting for Social Work assessment to commence or complete or issues where power of attorney is not in place. Another element of this category type that can contribute to delays is the difficulty in recruiting carers to provide care in the locations required, an issue that is experienced across Scotland (Shortage Occupations List 2018 <https://www.gov.scot/publications/shortage-occupations-list-2018-9-call-evidence-scottish-government-response-health-social-care/pages/5/> - Para 47).
- 4.5. Whilst the latest figure is one of the lowest since July 2016, the volatility of the measure requires constant monitoring and action (Fig 1):

4.6.
Fig 1



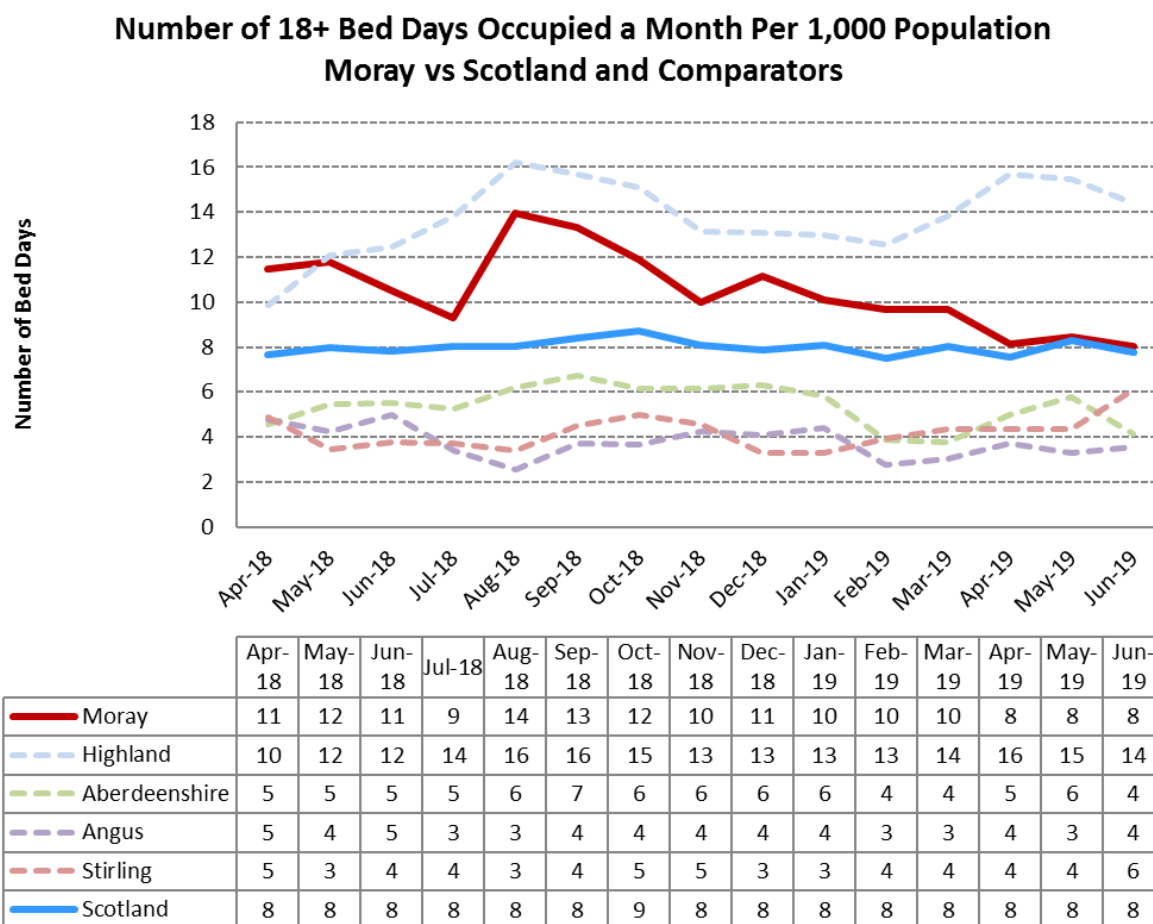
Moray has had a decreasing trend in the number of Bed Days occupied by Delayed Discharges since August 2018.

Fig 2



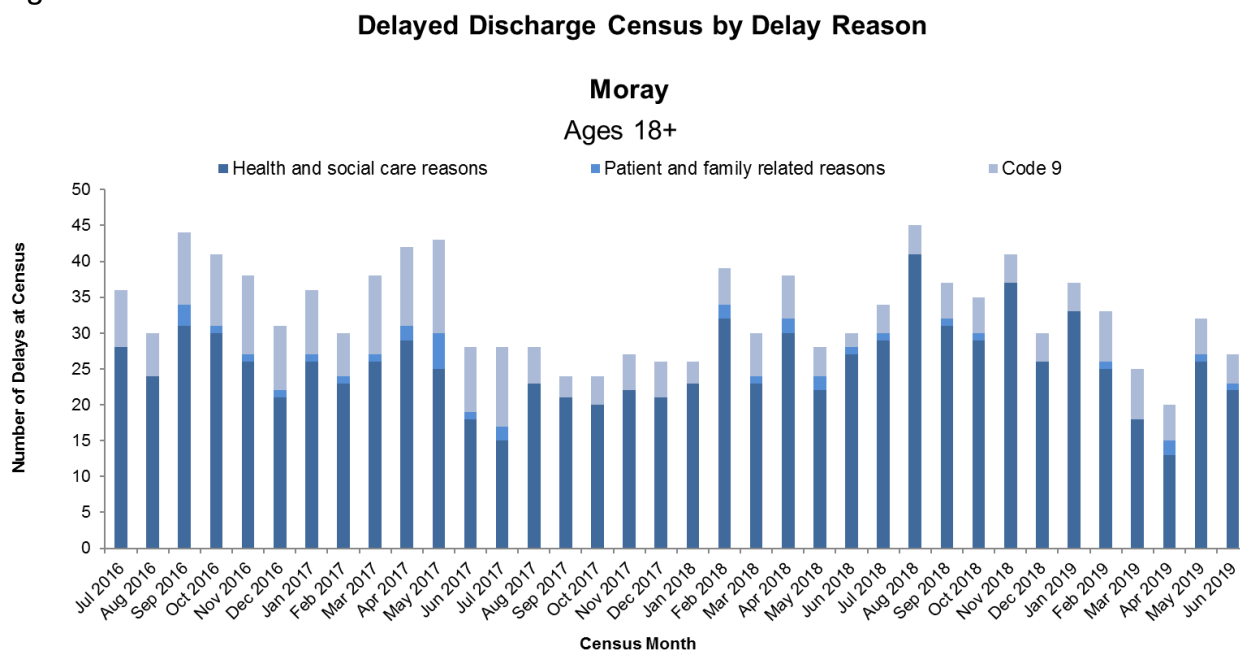
4.7. To bring Moray in line with the Scottish average the level for number of Bed Days occupied would need to be under 732 per month. The chart in Fig 3 shows the rate per 1,000 population for Moray, Scotland and comparators.

Fig 3



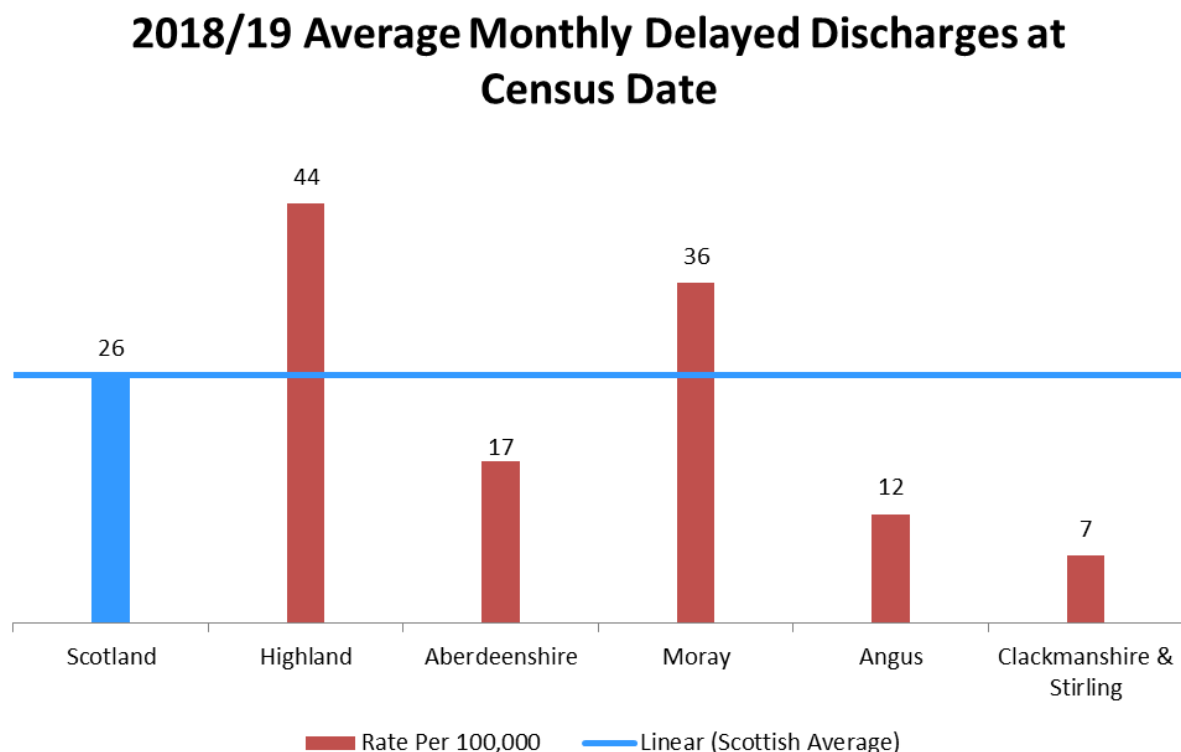
- 4.8. In addition to the reduction in bed days occupied by delayed discharge there has also been a reduction in the number of people Delayed at Census Date. (Census date is usually the last Thursday of the month) (Fig 4). The figure of 20 at April 2019 was the lowest in the last 3 years albeit it has increased and was sitting at 27 in the June Census. As can be seen from the chart the “Health and Social care reason” categorisation remains the prevalent one with 23 of the 27 delays in June allocated this code.

Fig 4



4.9. As Delayed Discharge figures can vary greatly from one month to the next the following shows the yearly average of the monthly census figures for Moray, Scotland and its comparators (Fig 5):

Fig 5



4.10. In order to be able to compare figures across different populations, a rate per 100,000 population of the 2018/19 monthly average is derived. Moray has averaged 36 delayed discharges a month per 100,000 population. In order to bring this number down to under the Scottish average of 26, **Moray would need to achieve, or be below, a level of 25 Delayed Discharges at the Monthly census.**

4.11. HSCM are looking to take forward improvement initiatives and have looked at other boards who have been working with Healthcare Improvement Scotland. Following discussions at Performance Management Group in April 2019, a small group of key practitioners undertook a facilitated process mapping session to seek areas where changes could be identified and implemented immediately or that required further work to consider options and impacts.

There were no actions that could be immediately implemented however the initial assessment identified priority areas for further work:-

- Continued focus on recruiting home care staff
- Early referral, home first and adults with capacity
- Focused work on first 36 hours of admission
- Discharge to assessment process
- Intermediate care
- Hospital from home

The group also recommended that due to the complexity of the problem and the inter dependencies across many services, it would be beneficial to adopt the Moray Alliance process for a whole system approach.

4.12. These key improvement areas formed the basis of a workshop held on 23 July 2019 with representatives from all services involved to identify the issues and potential solutions for Moray. Over 40 staff attended the workshop and heard about the current performance information, the findings and recommendations of the NHS National Day of Care Survey for Community Hospitals and Dr Gray's May 2019, an overview from the Geriatrician on the impact of delays for the individual and the video "1000 days".

4.13. Following presentations the staff broke into smaller groups and discussed the following questions:-

- i. What can we do to improve delayed discharges?
- ii. What can we stop doing now?
- iii. How can we develop effective Multi-disciplinary teams (MDT) working to support discharges?

4.14. The output from the workshop has been collated and as shown in **APPENDIX 1**. These comments are in the process of being refined into actions and will be incorporated into the transformation plan, which will underpin the Moray Integration Joint Board Strategic Plan.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

Performance management reporting is a legislative requirement under section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014.

In addition to publishing an Annual Performance Report, the Moray Integration Scheme requires that the MIJB will "monitor the performance of the delivery of integrated services using the

Strategic Plan on an ongoing basis” (para 5.2.2 of the Moray Integration Scheme refers).

(b) Policy and Legal

None directly associated with this report.

(c) Financial implications

None directly associated with this report.

(d) Risk Implications and Mitigation

The report highlights the historical performance Moray has in regards to Delayed Discharges and the actions being undertaken to address this.

(e) Staffing Implications

None directly associated with this report.

(f) Property

None directly associated with this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not required as there are no changes to policy or procedure as a direct result of this report.

(h) Consultations

Consultation on this report has taken place with the following staff who are in agreement with the content in relation to their area of responsibility:-

- Head of Service,
- Chief Financial Officer,
- Caroline Howie, Committee Services Officer
- Corporate Manager

6. CONCLUSION

6.1 This report provides an update on delayed discharge performance of HSCM and the actions that are underway and planned to improve.

6.2 The level of delayed discharge is currently higher than that which would be determined as acceptable and there is a very clear focus and prioritisation from all services involved to reduce these figures.

Author of Report: Bruce Woodward
Background Papers: Available on request
Ref:

Delayed Discharge Workshop 23 July 2019

Summary of comments from groups

Q1. What can we do to improve delayed discharges?	
	<ul style="list-style-type: none"> • Analysis of admissions that lead to a delay – review presentations at Emergency Department and care being provided prior to that • Better communication between teams – More regular meetings (e.g. Dynamic Daily Discharge Meetings), Co-location and wider and more collaborative use of the ICT systems. • Sharing ICT systems needs to be easier – Either link up systems or allow access to all systems across the MDT. • Ensure teams have the appropriate staff – e.g. A Physio on the Hospital Discharge Team. • Push for better consistency across sectors – DGH/Community Hospitals/GPs/Social Work/Care Providers. • Provide staff and clients with better signposting to available services – Include Third Sector and non-traditional services, and clearer admission criteria to HSCM services. • Review the AWI process. • Consider other options for intermediary support – Hospital at Home, Care Home Step Up/Down beds • Create and support more discharge oriented roles within Community Hospitals and DGH • Care Providers need to be more flexible – Keeping packages open longer
Q2. What can we stop doing now?	
	<ul style="list-style-type: none"> ...being overly risk averse. ...giving unrealistic expectations to patients and family. ...requiring so much paperwork. ...repeating assessments. ...refusing to take responsibility for a patient. ...varying practice and giving multiple consultations. ...variation in referral process to Community Hospitals. ...MDTs being medically led. ...Care providers cherry picking service packages and client. ...lengthy prescription waiting times on discharge.
Q3. How can we develop effective Multi-Disciplinary Team working to support discharges?	
	<ul style="list-style-type: none"> • Improve communication resources available • Co-locate teams • Better understanding of roles • Meet and greet in the hospital by carers • Upskill staff on all wards • Provide more Reablement training • Promote client independence • Assessment of care at home requirement should be done by the care provider • Lead and membership of the MDT needs to be looked at and addressed • Involve the 3rd sector in the MDT • Define the MDT process • Reduce paperwork by having more intelligent IT systems that can pre-populate information on various forms.



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 19 SEPTEMBER 2019

SUBJECT: PAYMENT VERIFICATION ASSURANCE UPDATE

BY: SEAN COADY, HEAD OF SERVICE

1. REASON FOR REPORT

- 1.1 The purpose of this report is to provide an update on the review of the Payment Verification (PV) Assurance Service provided by National Services Scotland (NSS) Practitioner Services Divisions (PSD), on behalf of NHS Grampian.

2. RECOMMENDATION

- 2.1. **It is recommended that the Audit Performance & Risk Committee consider and note:**

- i) **the arrangements in place in Grampian for the management of the payment verification process;**
- ii) **the issues that have been highlighted in relation to the payment verification process; and**
- iii) **the actions already taken to address the issues, with plans for future action to include an update on progress to this committee in March 2020**

3. BACKGROUND

- 3.1. NHS Grampian has statutory responsibility for monitoring contracts with Family Health Service (FHS) providers covering General Medical services (GMS), Dental, Pharmacy and Optometry.
- 3.2. Contracts with independent practitioners for the delivery of FHS i.e. General Medical, General Pharmaceutical, General Dental and Ophthalmic services are, mainly, subject to nationally agreed terms and conditions, with some exceptions that allow for local agreement on enhanced services.

- 3.3. NHS Boards are the accountable bodies for the delivery of FHS and are required to ensure that payments made to independent practitioners are valid, timely and accurate and in line with agreed contractual arrangements. The responsibility for the planning and delivery of FHS was delegated by NHS Grampian to the three Grampian Integration Joint Boards (IJB's) with effect from 1 April 2016. Moray Integration Joint Board (MIJB) hosts the Primary Care Contracts Team (PCCT) on behalf of all three IJBs.
- 3.4. As part of the NHS Grampian Audit process, the PV Assurance Group implements and oversees management arrangements covering pre and post verification of payments across all independent medical, dental, pharmaceutical and ophthalmic primary care practitioners. PV is regulated through the protocols set out in the (NHS) Chief Executive's Letter (CEL) DL (2018) 19 issued in October 2018.
- 3.5. NHS Grampian's PV Assurance Group is chaired by the Service Manager for Primary Care Contracts (PCC). Membership includes Health & Social Care Partnerships (HSCP), Primary Care Leads, Finance Manager, Clinical and Planning Leads, representatives from the PCCT and Practitioners Services Division (PSD). Links are maintained with NHS Counter Fraud Services and the Assistant Director of Finance who is also NHS Grampian's Fraud Liaison Officer via the Chair of the PV Assurance Group.
- 3.6. Whilst the majority of PV will be undertaken by PSD, there may be instances where it is more appropriate for PV to be undertaken by the NHS Board. Consequently, there is an onus on PSD and the NHS Board to agree the annual payment verification programme.
- 3.7. Formal Medical, Pharmacy, Dental and Ophthalmic PV Assurance Meetings are held quarterly with the leads from each of the partnerships across Grampian, to agree the programme of practice visits and to ensure appropriate management oversight of the process. PV issues are dealt with on an ongoing basis, as they arise during the course of the year, and are fed through a number of performance and management groups across all contractor areas and within local HSCP performance management structure
- 3.8. A report was submitted to this committee on 13 December 2018 (para 10 of the minute refers) with a subsequent action to provide an update on progress.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 Difficulties were experienced in receiving updates on progress for the improvement of PSD/PV outcomes since the previous report in December 2018.
- 4.2 The Service manager undertook a review across all PV contractual areas early in 2019 and highlighted a number of concerns. A meeting was requested with the Associate Director, Practitioners and Counter Fraud Services, National Services Scotland (NSS) which took some time to schedule

due to several factors impacting on key attendees, however the meeting took place in July 2019.

- 4.3 At this meeting assurances were provided by the Associate Director and an action plan was agreed.
- 4.4 To date there has not been any further update on the actions and outcomes from the Associate Director. A response on progress to achieve the outcomes identified in **Appendix 1** is expected imminently however, as the Practitioners Services Division (NSS) is due to visit NHS Grampian in October to review performance under the Partnership Agreement and consider any service agreements. This will provide an opportunity to seek assurance that the Director of PSD, NSS has directed resource to ensure matters are being progressed.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

The MIJB requires effective governance arrangements for those services and functions delegated to it. Such governance arrangements include systems for managing risks.

(b) Policy and Legal

There are no legal implications arising from this report.

(c) Financial implications

There are no financial implications arising directly from this report.

(d) Risk Implications and Mitigation

Whilst the issues identified in **Appendix 1** remain, there is a risk that assurance cannot be provided to NHS Grampian that Payment Verification is being carried out appropriately.

(e) Staffing Implications

There are no staffing matters arising directly as a result of this report.

(f) Property

There are no implications in terms of Council or NHS property directly arising from this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not required because there are no service, policy or organisational changes proposed in this report.

(h) Consultations

Consultation has taken place with the Head of Service, Chief Financial Officer, Corporate Manager and Caroline Howie, Committee Services Officer and comments incorporated in this report.

6. CONCLUSION

6.1 This report and Appendix 1 set out the arrangements around the payment verification process and actions required to address areas of concern.

Author of Report: Patricia Morgan; Service Manager Primary Care Contracts

Background Papers: DL (2018)19. Revised Payment Verification Protocols – General Dental Services, Primary Care Services, General Ophthalmic Services, Pharmaceutical Services.

Ref:

Meeting with Martin Morrison Associate Director, Practitioner & Counter Fraud Services, NNSS – 5 July 2019

Contractor	Issue	PSD Response	Completed
Dental	Dental Reference Officer (DRO) attendance Only 3.3% attendance rate at these appointments. Need to review how appointments being managed in Grampian.	MM to investigate reasons behind this and to escalate implementations of the process adopted elsewhere. MM to provide details on National attendance compared to Grampian. Clinical time for Dental Practice Advisor (national) is being diverted due to legal cases and challenges from practitioners; therefore not doing core business	
Dental	Outstanding DRO visits JI suggested 2-way approach to rationalising list of outstanding DRO and investigations Prioritise practices with numerous outstanding cases.	MM to check new electronic booking system is in place in Grampian and if not prioritise the roll out.	
Dental	Have not engaged with Moray to take up offer of facilities	Uptake and use Elgin clinics to improve patients access	
Dental	Issues relating to Counter Fraud Service (CFS)	MM agreed that PSD will Make GK aware of issues before they involve CFS	
Contractor	Issue	PSD Response	Completed
Dental	Timescales for reporting on actions etc is too long and often over several	MM advised new process and timeline for Dental PV is being worked on by Lorraine Began (PSD)	

	<p>quarterly meetings.</p> <p>e.g. GWR</p>	<p>alongside DPAs.</p> <p>MM to share with Trish for PV Group</p>	
Pharmacy	<p>Length of time to follow up/action issues that PV have highlighted to the Board; or the Board has highlighted to PV.</p> <p>Still have number of outstanding actions (including money to be reclaimed – identified January 2019)</p>	MM will address with PV team	
Pharmacy	Doesn't feel that PV investigations are directed by the Board and issues seem to be explored more if the data analyst is interested in the issue	MM thinks this may be a training issue and will discuss with pharmacy team.	
Pharmacy	Not Collected/Not dispensed issue	MM will chase for SBAR. Believes that NC/ND is certainly PV issue and should be addressed	

Contractor	Issue	PSD Response	Completed
Pharmacy	All information not being picked up on paper scripts (endorsing)	MM will speak to tech team to see if this can be improved and will report back.	
Pharmacy	Number of controls on the pharmacy system being switched off in order to cope with workload. NHS G not informed that this was happening	MM will confirm which controls have been switched off	
Pharmacy	Tableau is not working well for reporting and monitoring. NHS G asked for raw data some months ago and still waiting for this	MM to follow up with team and agreed that we get this raw data.	
Optometry	PV meetings have been much more sporadic with staff shortages/sickness .meetings being cancelled and re-arranged often at very short notice	MM will address this and will feedback on how process will 'get back on track'	
Optometry	<p>Long running investigation by CFS into domiciliary visiting services especially in care homes</p> <p>These providers always appear as significant outliers, but we are constantly advised that this is under review by CFS under the OPCASA umbrella. No feedback received about this or when results are to be expected.</p>	MM & GK to follow up	
Medical	<p>As result of QOF being disbanded some years ago, seems less for Medical PV to do.</p> <p>Visits are now every 6 months and PV meeting also less frequent</p>	MM reported that the medical post not 'lost' in redesign. New posts will be generic to support to each area ; specialising and rotating	

General	MM advised that there is a restructuring of PSD underway. There is an SBAR being presented to the Director awaiting input for AP to discuss staffing and the formation of the PV and payments Team.	MM agreed that he would feedback outcomes of this restructuring.	
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Patricia Morgan
Service Manager
Primary Care Contracts
20.09.2019