



**ANGUS HEALTH AND SOCIAL CARE  
INTEGRATION JOINT BOARD AUDIT COMMITTEE – 18 APRIL 2018  
GOVERNANCE UPDATE  
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER**

**ABSTRACT**

To provide a brief update re governance issues to the Committee.

**1. RECOMMENDATION**

It is recommended that the Angus Integration Joint Board Audit Committee note the update provided.

**2. BACKGROUND**

As the Audit Committee will be aware, the IJB periodically is required to respond to governance related issues including issues raised in the annual Governance Statement, and issues emanating from Internal Audit reports and External Audit reports.

These issues will be more comprehensively assessed as part of the annual accounts process and this will be reflected in papers provided to the June 2018 Audit Committee meeting.

The current status is as follows:-

- (i) The IJB continues to liaise with the IJB's Internal Auditors to conclude 2017/18 Internal Audits (subject of separate update).
- (ii) The IJB has provided interim feedback to External Auditors regarding action from the 2016/17 External Audit Annual Audit Report. A summary of this is included at Appendix 1.

**3. CONCLUSION**

The Angus IJB Audit Committee requires to note the above update.

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Appendices  
Appendix 1: Update re Actions from 2016/17 Annual Audit report

**APPENDIX 1 - UPDATE RE ACTIONS FROM 2016/17 ANNUAL AUDIT REPORT**

Issue/Risk	Recommendation	Agreed management Action / Timing	Update
<p><b>1. Financial Management of Adult Services</b></p> <p>Internal audit identified a number of weaknesses in the provision of Financial Management support from Angus Council to the IJB for Adult Services. The overall audit opinion given for this audit was "Inadequate". These weaknesses affected the completeness, accuracy and usefulness of detailed budget monitoring information at a level below that reported to the Board.</p> <p><b>Risk</b></p> <p>There is a risk that the IJB is not aware of the full budget position including activity for Adult Services which may impact on the ability to redesign services.</p>	<p>The internal audit plan has an action plan and the Chief Finance Officer should ensure, in conjunction with Angus Council, that actions are being progressed within Adult Services to ensure that the information required is available to the Board.</p>	<p>Angus IJB Audit Committee has confirmed all action described in the Internal Audit report will be progressed in conjunction with Angus Council.</p> <p>Chief Finance Officer</p> <p>December 2017</p>	<p>Awaiting output of follow up internal audit.</p> <p>First draft of report received 27 March 2018</p>
<p><b>2. Financial Planning</b></p> <p>Angus IJB has financial projections for 2017/18 but financial planning does not currently extend beyond one year.</p> <p><b>Risk</b></p> <p>The IJB does not have robust financial plans to support the delivery of its longer term objectives.</p>	<p>The IJB should develop a robust medium to long term financial planning framework to support delivery of its Strategic Plan.</p>	<p>The IJB intends to increasingly set out its financial planning on a multi-year basis. The creation of multi-year financial plans can be complex due to the level of clarity available regarding both future year budgets and pressures.</p> <p>Chief Finance Officer</p> <p>December 2017</p>	<p>Info shared at IJB members' development session in Jan 2018.</p> <p>Paper to be submitted to April 2018 IJB meeting.</p>
<p><b>3. Efficiency Savings</b></p> <p>It is reported that as at June 2017 the IJB still needs to agree a total of £0.317million of savings to break even. The majority of the savings required relate to services provided by Angus Council.</p>	<p>A plan needs to be agreed with Adult Services to identify savings that are required to enable the Board to break even in 2017/18.</p>	<p>Angus IJB continues to develop responses to 2017/18 challenges (including undertaking a Care Home review and review of Learning Disability Services). Updates on the overall position will be provided regularly to the IJB.</p> <p>Chief Finance Officer</p>	<p>2017/18 shortfall now resolved. Confirmed at section 4.1 of report 17/18 (Feb. 2018).</p>

<p><b>Risk</b></p> <p>The developments within Angus Council relating to the Transforming Angus change programme may impact on the ability of Adult Services to deliver the required savings.</p>		<p>December 2017</p>	
<p><b>4. Performance Report</b></p> <p>Whilst Angus IJB produced a performance report by the end of June 2017, the report does not include an assessment on Best Value in the provision of services. This is one of the prescribed areas that the report should cover.</p> <p><b>Risk</b></p> <p>The performance report does not meet the requirements of the Scottish Government.</p>	<p>Angus IJB should reflect on how it will report on Best Value in the 2017/18 performance report.</p>	<p>The IJB will remedy this for 2017/18 reporting.</p> <p>Chief Finance Officer/ Head of Community Health and Care Services (with responsibility for Performance Management)</p> <p>March 2018</p>	<p>This is a year-end action.</p>
<p><b>5. Framework for consideration of Audit Scotland national reports</b></p> <p>Audit Scotland produces a number of national reports that, whilst they do not relate specifically to the IJB, contain information that should be considered by the IJB.</p> <p><b>Risk</b></p> <p>The members of Angus IJB are not fully aware of emerging national issues in Health and Social Care that may impact on their ability to deliver services locally.</p>	<p>The Chief Finance Officer should develop a system to allow for the consideration of relevant national performance reports and to report the main findings to Angus IJB members as appropriate.</p>	<p>The IJB will develop a mechanism for sharing the main findings of national reports with Audit Committee members.</p> <p>Chief Finance Officer</p> <p>December 2017</p>	<p>Now in place for all Audit Committee meetings.</p>