



ANGUS HEALTH AND SOCIAL CARE PARTNERSHIP
AUDIT COMMITTEE – 29 AUGUST 2018
2017/18 ANNUAL REPORT TO INTEGRATION JOINT BOARD
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

It has been agreed that the Audit Committee will provide an Annual report to the main Integration Joint Board. This will be an agenda item at the IJB meeting on 29 August 2018.

1.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board Audit Committee note the attached report.

2.0 BACKGROUND

2.1 It has been agreed that the IJB's Audit Committee will provide an Annual Report to main Integration Joint Board. This will happen for the first time in August 2018 for reporting year 2017/18. This report, attached at appendix 1, has been drafted by the Chief Finance Officer and reviewed by the current Chair of the Audit Committee (Councillor Julie Bell), noting that Councillor Bell has only relatively recently taken up her role as Chair of the Audit Committee.

3.0 CONCLUSIONS

3.1 The Audit Committee requires to note the attached report.

REPORT AUTHOR: ALEXANDER BERRY, CHIEF FINANCE OFFICER
EMAIL DETAILS: hsci Angus.tayside@nhs.net
DATE: August 2018

Appendix 1: Angus IJB Audit Committee Annual Report 2017/18



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 29 AUGUST 2018
ANGUS IJB AUDIT COMMITTEE ANNUAL REPORT 2017/18
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

This report is the first Annual Report provided by the Angus IJB Audit Committee to the Angus IJB. It summarises the work of the Audit Committee during the year 2017/18.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) notes the Annual Report of the Audit Committee for the year 2017/18; and
- (ii) acknowledges the input provided to the Audit Committee from Audit Committee members, and those supporting the Audit Committee.

2. BACKGROUND

At the inception of the IJB, and as per report 32/16 (March 2016) the IJB agreed to create a separate Audit Committee with an agreed remit. The Audit Committee has met regularly as agreed since then with minutes of the Audit Committee shared with the main IJB.

The remit of the Audit Committee is described in the following extract from report 32/16:-

“...the remit of the Audit Committee shall be:-

- (i) to agree the Internal Audit Plan for the Integration Joint Board (without further reference to the Integration Joint Board),*
- (ii) to consider the terms of any external or internal Inspections, assessments or audits of the Integration Joint Board with a view to making recommendations to the Integration Joint Board in respect thereof (excepting therefrom external or internal inspections, assessments or audits in respect of clinical and/or care governance); and*
- (iii) to scrutinise the annual accounts and Governance Statements.”*

The constitutional arrangements for the Audit Committee, as last reviewed at the IJB in August 2017 (report 55/17) are included at Appendix 1. These will be reviewed by the Audit Committee as part of its annual development work (including development session likely to happen in October 2018).

Recently it has been agreed that on an annual basis the Audit Committee will provide an Annual Report to the main IJB. This annual report will provide a retrospective view of the work undertaken in the year 2017/18.

Much of the work of the Audit Committee is influenced by the remit of the Audit Committee with an obvious example being work associated with the IJB's Annual Accounts. This example also highlights that the Audit Committee's annual cycle does not evolve around the traditional reporting year (i.e. ending 31 March), but runs behind that by a number of months as the previous year's reviews / reports are concluded after 31 March of any reporting year.

This report describes the issues covered by the Audit Committee in the 12 months to June 2018. It also notes issues that will be discussed at the August 2018 Audit Committee (scheduled for 29 August 2018) where these reflect 2017/18 issues.

3. REPORTS CONSIDERED BY THE IJB AUDIT COMMITTEE – YEAR TO JUNE 2018

3.1 The IJB's Audit Committee currently meets about 4 times per annum. This pattern has been in place since the inception of the Committee and was intended to balance the commitments of the members of the Committee and the timeline and breadth of the Audit Committee's remits.

Over the period from June 2017 to June 2018, with this period being longer than 1 year to show more than 1 reporting cycle), the Committee consider the following issues:-

Report	June 2017	August 2017	January 2018	April 2018	June 2018
Annual Internal Audit Plan		✓ (17/18)			
Annual Internal Audit Plan – Update	✓ (16/17)		✓ (17/18)	✓ (17/18)	✓ (17/18)
Governance Update			✓ (Agenda note only)	✓	
Review of Role of Chief Finance Officer	✓				✓
Annual Internal Audit report	✓ (16/17)				✓ (17/18)
IJB Governance Statement	✓ (16/17)				✓ (17/18)
Assurances Received From partners		✓ (16/17)			
IJB Unaudited Annual Accounts	✓ (16/17)				✓ (17/18)
External Audit Plan			✓ (17/18)		
External Audit Annual Report		✓ (16/17)			
Audited Annual Accounts		✓ (16/17)			
Consideration of External reports			✓	✓	✓
Sharing of Audits Outputs Protocol			✓	✓	
Audit Scotland – Checklist for Audit Committee members				✓	
Internal Audit – Review of Post implementation Due Diligence		✓			
Internal Audit – Clinical, Care & Professional Governance – Final report					✓
Internal Audit – Financial Management – Report	✓ (Final)				✓ (Follow Up)
Internal Audit – Corporate Strategic Risk Management – Final Report					✓

The first part of the table reflects a regular programme of governance activity and reporting of that activity. It can be seen that over a period of more than 1 year, a number of annual activities do re-occur. On that basis a number of issues considered in August 2017 will be on the IJB's Audit Committee agenda for August 2018 (including Assurances received from partners, External Audit Annual Report, and Audited Accounts).

The last part of the table reflects activity associated with the Annual Internal Audit Plan. It has been agreed that for 2018/19, the IJB will expect to receive more 'Final' Internal Audit reports earlier in the financial year so these are no longer all concluding at about or after the reporting year end.

The IJB Audit Committee is also committed to an at least annual development session for Audit Committee members. This last happened in October 2017 and is likely to be repeated at about that time in 2018.

4. AUDIT COMMITTEE MEMBERSHIP

It is very important to acknowledge the input provided by IJB members who are also Audit Committee members. This is an additional commitment over and above IJB membership and, due to scheduling of Audit Committees, can make for challenging schedules at certain times of the year.

During the reporting year, to April 2018, the Audit Committee was chaired by former NHS Tayside Board member Alison Rogers. From June 2018, Councillor Julie Bell has taken over the role of chair of the Audit Committee.

The membership make-up of the IJB's Audit Committee is dictated by the Audit Committee's constitution. During the last year membership has necessarily evolved as members have moved on. The IJB's Annual Governance Statement, included as part of the IJB's Annual Accounts, routinely documents membership of and attendance at Audit Committee meetings. An extract of the relevant extract of the 2017/18 Governance Statement is included at Appendix 2.

As can be seen there has been a lack of continuity of membership during 2017/18. This does have some disadvantages in that there can be a learning curve associated with both IJB membership but also Audit Committee membership. One way to address this issue would be to review the membership of the Audit Committee and this will be considered in upcoming reviews of the IJB's standing orders.

At recent Audit Committees, members have acknowledged that the volume of business at certain times of the year (e.g. around year end) does warrant extended time slots for meetings and this will be addressed on a flexible basis going forward.

As noted in section 3.1, members are provided with annual development sessions, and for the upcoming year this is likely to be in October.

It is also important to acknowledge the input of Angus Council's Democratic Services, Legal Services and both the IJB's Internal Auditors and External Auditors into the production of papers that are submitted to the IJB and the running of the Committee generally.

5. SUMMARY

As noted at the outset, this report will become an annual report-back of the activity undertaken through the Audit Committee. As can be seen from the above, the work of the Audit Committee does reflect the remit of the Audit Committee and the annual cycle of governance reviews and reporting (e.g. consideration of annual governance reviews and annual accounts).

REPORT AUTHOR: ALEXANDER BERRY, Chief Finance Officer
EMAIL DETAILS: hsciangustayside@nhs.net

August 2018

Appendix 1 – Audit Committee Constitutional Arrangements
Appendix 2 – Audit Committee Membership

ANGUS INTEGRATION JOINT BOARD AUDIT COMMITTEE
CONSTITUTIONAL ARRANGEMENTS

1. Membership

- 1.1 The Audit Committee shall comprise of 6 members of the Integration Joint Board all of whom will be entitled to vote at the Audit Committee. The 6 members shall include:-
- (i) two voting members of the Integration Joint Board (one each from the voting membership of Angus Council and NHS Tayside) (excluding the Chair and Vice Chair of the Integration Joint Board who cannot be members of the Audit Committee); and,
 - (ii) three non voting members of the Integration Joint Board (excluding the Chief Officer and Chief Financial Officer who cannot be members of the Audit Committee but who will be expected to attend).
- 1.2 The membership of the Audit Committee shall be reviewed, re-selected and re-approved by the Integration Joint Board in October 2018 and three yearly thereafter.
- 1.3 The Audit Committee should meet at least four times per year unless circumstances require additional meetings.
- 1.4 The Audit Committee shall appoint a Chair and Vice Chair of the Audit Committee (who need not be a voting member of the Integration Joint Board).
- 1.5 Members of the Audit Committee will require to attend one development event a year in respect of their role as Audit Committee members.

2. Remit

- 2.1 The remit of the Audit Committee shall be:-
- (i) to agree the Internal Audit Plan for the Integration Joint Board (without further reference to the Integration Joint Board);
 - (ii) to consider the terms of any external or internal Inspections, assessments or audits of the Integration Joint Board with a view to making recommendations to the Integration Joint Board in respect thereof (excepting therefrom external or internal inspections, assessments or audits in respect of clinical and/or care governance); and
 - (iii) to scrutinise the annual accounts and Governance Statements.

3. Quorum

- 3.1 No business shall be transacted at a meeting of the Audit Committee unless there are present at least one half of the voting Members of the Audit Committee

Audit Committee Membership - Extract of Angus IJB's Annual Governance Statement

Audit Committee Membership

Angus IJB also has an Audit Committee chaired by a member of the IJB and comprising 5 further IJB members. During 2017/18, the Audit Committee met 4 times and the membership at the year end was as follows:-

David Barrowman (attended 2 of 4 meetings)

Councillor Julie Bell (appointed after final 2017/18 meeting)

Peter Burke (attended 3 of 4 meetings)

Jim Foulis (attended 2 of 4 meetings)

Alison Rogers (attended 3 of 4 meetings)

Barbara Tucker (attended 2 of 3 meetings, member for part year only).

During the financial year, other Audit Committee members included Councillor Jim Houston (attended 1 of 1 meeting) and Councillor Lois Speed (attended 2 of 2 meetings).

Since the end of March 2018, Alison Rogers' term of office as a Non Executive Board member of NHS Tayside has concluded and she has stepped down from both Angus IJB and therefore the Audit Committee; a new Audit Committee member (Trudy McLeay) was appointed in June 2018.