



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 29 AUGUST 2018

2017/18 ANGUS INTEGRATION JOINT BOARD – ASSURANCES RECEIVED FROM PARTNERS

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

In compiling the Integration Joint Board's Annual Governance statement, reference was made to receipt of assurance from NHS Tayside and Angus Council regarding their governance arrangements noting that Angus IJB is reliant on both Partners to deliver the IJB's overall aims and objectives. This report provides an update on those assurances.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board Audit Committee:-

- (i) note that the IJB has issued confirmation of the adequacy and effectiveness of the governance arrangements in place within Angus IJB for 2017/18 to NHS Tayside and Angus Council;
- (ii) note the position re confirmation of receipt of the assurance from Angus Council;
- (iii) note the status of governance arrangements within NHS Tayside;
- (iv) note that the status of assurances from NHS Tayside and Angus Council is consistent with the contents of the IJB's Governance Statement in the audited Annual Accounts.

2. BACKGROUND

- 2.1 On an annual basis the IJB has to include a Governance Statement within its Annual Accounts. Angus IJB Audit Committee considered Angus IJB's draft 2017/18 Governance Statement at its June meeting (paper 51/18).

Paper 51/18 noted that Angus IJB had to provide assurances to both NHS Tayside and Angus Council. This was duly completed in August 2018.

Paper 51/18 also noted the reliance Angus IJB places on the governance arrangements within NHS Tayside and Angus Council and that assurance would be sought from both partners re their internal controls and their adequacy and effectiveness prior to the August Audit Committee.

- 2.2 Since the last Audit Committee, Angus Council's Scrutiny and Audit Committee has met and after reviewing the Council's Annual Internal Audit Report and draft Governance Statement in June 2018, now propose to issue a letter to Angus IJB confirming the status of Angus Council governance arrangements for 2017/18 and the reliance Angus IJB can place on these. The issuing of this letter will be confirmed at an Angus Council Scrutiny and Audit Committee meeting of 21 August 2018. In advance of this a draft is attached at appendix 1. The status of this letter will be confirmed at this Audit Committee meeting of 29 August 2018 and in advance to the IJB's External Auditors.

- 2.3 As was noted in the IJB's Governance Statement for 2017/18, there have been ongoing governance issues within NHS Tayside during 2017/18. These were summarised in a report to NHS Tayside's Audit Committee in late June 2018. See report 42/2018 to NHS Tayside's Audit Committee in June 2018 (agenda item 12.3):-

http://www.nhstaysidecdn.scot.nhs.uk/NHSTaysideWeb/idcplg?IdcService=GET_SECURE_FILE&dDocName=PROD_302165&Rendition=web&RevisionSelectionMethod=LatestReleased&noSaveAs=1

The above report notes that the NHS Tayside Chief Executive states within the Governance Statement that he is "...not able to conclude that, taking into account the governance framework and the assurances and evidence received from the Board's committees, that corporate governance was operating effectively throughout the financial year ended 31 March 2018". The NHS Tayside Governance Statement also reflects that the Chief Executive has "instigated action to address in full the recommendations that have been highlighted by the Assurance and Advisory Group and Grant Thornton reports issued during the year. The Chair has also commissioned an independent risk assessment of Board Governance and an independent review of the effectiveness of internal audit. These reviews will highlight further opportunities to improve the control environment within NHS Tayside."

While the above does not provide the assurance that Angus IJB would routinely expect from one of its Partners, the governance challenges within NHS Tayside have been well documented elsewhere (including the papers referred to in this report) and a range of actions are now underway to address these challenges. This issue was referred to in Angus IJB's Governance Statement for 2017/18 and if there are any specific issues that arise that more directly affect Angus IJB then these would be highlighted to the IJB in due course.

More detail on the above is set out in NHS Tayside full Governance Statement from NHS Tayside's June 2018 Audit Committee – agenda item 9.3 (see the same e-mail link as per above) and in NHS Tayside's Annual Internal Audit Report (2017/18) also from NHS Tayside's June 2018 Audit Committee – agenda item 8.1 (again, see same e-mail link as per above).

3. CONCLUSIONS

The IJB's Audit Committee needs to note the proposed receipt of assurance confirmation from Angus Council. The status of this letter will be shared with the IJB's Internal and External Auditors in advance of this Audit Committee meeting.

The Audit Committee need to note the status of governance arrangements within NHS Tayside. The ongoing concerns have been previously documented in the IJB's 2017/18 Governance Statement.

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DATE: August 2018

List of Appendices:

Appendix 1: 2017/18 Assurance Confirmation (draft) – Angus Council

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The Chief Officer
Angus Integration Joint Board
St Margaret's House
Orchard Loan
Orchardbank Business Park
Forfar
DD8 1WS

Dear Ms Irons

Assurances provided by Angus Council – Year to 31 March 2018

Angus Council provides support services to the Angus Integration Joint Board (Angus IJB) under the agreement dated 4 February 2016.

The Angus Council Scrutiny & Audit Committee has overseen delivery of a risk-assessed Internal Audit plan for 2017/18. At its meeting in June 2018, the committee considered the [Audit Manager's Annual Report for 2017/18](#) and the [draft Angus Council Governance Statement for 2017/18](#).

In my 2016/17 assurance letter I drew attention to the Internal Audit review of Financial Management services provided by the Council to Angus IJB. The review identified weaknesses that meant the system was assessed as inadequate. During 2017/18, Internal Audit carried out a follow-up review which confirmed that progress had been made with issues such as budgetary management and financial reporting.

During 2017/18, Internal Audit undertook a review of IT User Access Administration (Integra). The conclusion of the review was that only limited assurance could be placed on the controls which are intended to ensure the confidentiality, integrity and availability of the Integra finance system. The main issue giving rise to the limited assurance assessment related to two priority 1 actions about administrator access. Both actions had been completed by April 2018.

As Convener of the Scrutiny & Audit Committee, taking into account the work undertaken by the Scrutiny & Audit Committee in the year 2017/18, I confirm that adequate and effective governance arrangements were in place throughout Angus Council during the year 2017/18 in relation to the support services provided to the Angus IJB.

Yours sincerely

Councillor King
Convener, Angus Council Scrutiny & Audit Committee.

cc. Sandy Berry, Chief Finance Officer, Angus Health & Social Care Partnership