



**ANGUS HEALTH AND SOCIAL CARE**  
**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 12 DECEMBER 2018**  
**2017/18 EXTERNAL ANNUAL AUDIT REPORT – PROGRESS REPORT**  
**REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER**

**ABSTRACT**

To present a report setting out progress towards completion of the 2017/18 External Annual Audit Report Action Plan.

**1. RECOMMENDATION**

It is recommended that the Angus IJB Audit Committee consider and note the attached External Annual Audit Progress Report.

**2. BACKGROUND**

The August 2018 meeting of the IJB's Audit Committee considered the IJB's External Auditor's Annual Audit Report. Within the overall report, there were some specific recommendations made with corresponding action agreed by the IJB's management. The attached Appendix 1 provides an update on the progress with these actions. As these matters are largely concluded or now ongoing it is not proposed to provide a further update to the Audit Committee.

**3. CONCLUSION**

The Audit Committee requires to consider and note the attached progress report.

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**December 2018**

List of Appendices:  
Appendix 1 – Annual Audit Report – Action Plan Update – December 2018

**ANGUS INTEGRATION JOINT BOARD 2017/18 ANNUAL AUDIT REPORT  
ACTION PLAN UPDATE – DECEMBER 2018**

No.	Issue/risk	Recommendation	Agreed management action/timing	Update
1	<p><b>Efficiency savings</b></p> <p>For 2018/19 the board is required to deliver £7.125 million savings to achieve financial balance. The board has yet to identify £0.511 million of these savings. There is also a risk that some of the planned savings identified, especially in relation to prescribing, may not materialise.</p> <p><b>Risk</b></p> <p>The board may not be able to deliver the required savings in 2018/19.</p>	<p>The board should ensure that savings plans are developed to close the gap between target and identified savings. Prescribing expenditure should continue to be closely managed.</p>	<p>The IJB will continue to develop plans to address the 2018/19 and recurring financial planning gaps. Updates will be provided to the IJB regularly.</p> <p>Chief Finance Officer</p> <p>October 2018</p>	<p>Complete.</p> <p>The IJB continues to provide regular finance information to the Board. Latest finance reports suggest the IJB will, at least, break even in 2018/19.</p> <p>Multi Year financial plans for beyond 2018/19 have also now been presented to the IJB.</p>
2	<p><b>Audit Committee changes and development</b></p> <p>The membership of the Audit Committee has changed considerably over the past year. It is important that committee members are supported in their role, to assist them in exercising appropriate oversight and scrutiny.</p> <p><b>Risk</b></p> <p>Members may not feel confident in scrutinising financial statements or technical audit and accounting issues.</p>	<p>The IJB should ensure that audit committee members are supported in their role through appropriate training and development activity.</p>	<p>The IJB has a commitment to deliver at least annual training and development sessions for Audit Committee members.</p> <p>The IJB will also review the Audit Committee's Standing Orders for options to address the continuity of Audit Committee membership.</p> <p>Chief Finance Officer</p> <p>December 2018</p>	<p>Complete, but Ongoing.</p> <p>The IJB Audit Committee continues to undertake annual development sessions. The latest of these was in October 2018 and it is envisaged they will be held annually at about that time.</p>

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3	<p><b>Transparency in agenda papers</b></p> <p>Some IJB meeting agenda papers, by their nature, are long and complex. It is not always apparent from reading the papers what the key actions for the IJB are.</p> <p><b>Risk</b></p> <p>Agenda papers may not be clear to members of the public who do not have in depth knowledge of the IJB's business.</p>	<p>The IJB should ensure that cover papers include a clear executive summary of the key actions, conclusions and recommendations, especially where agenda papers are very long or complex, to increase accessibility.</p>	<p>The IJB will reflect this recommendation in future Board papers.</p> <p>Chief Officer</p> <p>October 2018</p>	<p>Complete.</p> <p>This action was particularly relevant re IJB (rather than Audit Committee) papers and was noted in a letter issued to IJB members, describing the outcomes of the Annual Audit Report, in September 2018.</p>
4	<p><b>Internal Audit</b></p> <p>Two 2017 internal audit reviews were not completed in time for the June 2018 Audit Committee meeting when the Internal Audit Annual Report was presented.</p> <p><b>Risk</b></p> <p>The internal audit plan is not completed and the expected assurances cannot be given in the internal audit opinion on the system of internal control.</p>	<p>The IJB should ensure that the internal audit plan is delivered within the audit year.</p>	<p>The IJB will work with Internal Audit to ensure all final Internal Audit reports are submitted by the April Audit Committee in each audit year.</p> <p>Chief Finance Officer</p> <p>April 2019</p>	<p>In progress.</p> <p>The IJB has requested its Internal Auditors work towards earlier timelines for 2018/19.</p>
5.	<p><b>Workforce planning</b></p> <p>IJB performance monitoring covers staff numbers and the age profile of the workforce. 54% of Angus Council staff and 46% of NHS Tayside staff are</p>	<p>The IJB should review its workforce planning, including succession planning, to address the identified risks of an ageing workforce.</p>	<p>The IJB is reviewing its Workforce Plan to ensure it adequately addresses staffing age profiles. Separately it is proposed that Workforce Planning will be the subject of an Internal Audit in 2018/19. A Workforce Planning report will be submitted to the IJB</p>	<p>Complete.</p> <p>The IJB has shared its Workforce Plan with the IJB (October 2018). An Internal Audit of workforce planning is now under way. Reference will be</p>

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	<p>over the age of 50.</p> <p><b>Risk</b></p> <p>The sustainability of service delivery is at risk if appropriate succession planning is not in place.</p>		<p>in 2018/19.</p> <p>Head of Service (with responsibility for IJB Workforce Planning)</p> <p>December 2018</p>	<p>made to workforce issues in the IJB's revised Strategic Plan.</p>