

## AGENDA ITEM NO 3

MINUTE of MEETING of the **ANGUS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** held in the Committee Room, Town and County Hall, Forfar, on Wednesday 29 August 2018 at 12 noon.

**Present: Members of Audit Committee**

Councillor JULIE BELL, Angus Council  
DAVID BARROWMAN, Service User Representative  
PETER BURKE, Carers Representative  
JIM FOULIS, Associate Nurse Director  
TRUDY McLEAY, Non-Executive Board Member  
BARBARA TUCKER, Staff Representative

**Advisory Officers**

SANDY BERRY, Chief Finance Officer  
GAIL SMITH, Head of Community Health and Care Services – North, AHSCP (from Item 4)  
WENDY SUTHERLAND, Team Leader – Place Directorate, Angus Council

**Also in Attendance**

RACHEL BROWNE, Senior Audit Manager, Audit Scotland  
TONY GASKIN, Chief Internal Auditor, Fife, Tayside & Forth Valley Audit and Management Services (FTF)  
KEVIN LUMSDEN – Manager – Finance Services – Place – Observer  
GILLIAN WOOLMAN, Audit Director, Audit Scotland

Councillor Julie Bell, in the Chair

**1. APOLOGIES**

There were no apologies intimated. Welcome and introductions took place.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest made.

**3. MINUTE OF PREVIOUS MEETING**

The minute of the previous meeting of 27 June 2018 was submitted and approved as a correct record.

The Chief Finance Officer confirmed that an action points log would be prepared and provided to future meetings.

**4. 2017/18 INTERNAL AUDIT PLAN – PROGRESS REPORT**

With reference to Article 6 of the minute of meeting of this Committee of 27 June 2018, there was submitted Report No 66/18 by the Chief Finance Officer setting out progress towards the delivery of the 2017/18 Internal Audit Plan.

Appendix 1 to the Report outlined the Angus Integration Joint Board's Internal Auditor's progress report on the 2017/18 Internal Audit Plan. An equivalent report would be produced routinely for all Audit Committee meetings describing progress with Internal Audit Plans.

The Chief Finance Officer provided an overview of the Report.

The Chief Internal Auditor confirmed that in terms of ANO4-18 Risk Management, this audit, which largely covered developmental issues, would be issued next week.

Peter Burke referred to audit ANO4-18 and raised certain points in terms of the submission of reports and information.

Following discussion in response to the points raised and having heard from the Chief Finance Officer, Team Leader and Committee Officer who referred to and highlighted the terms of the Constitution, Standing Orders and remit of the Audit Committee, it was noted that further discussion would take place outwith the Audit Committee.

The Integration Joint Board Audit Committee agreed to note the provisional Internal Audit Progress Report.

## **5. 2017/18 ANNUAL REPORT TO INTEGRATION JOINT BOARD**

There was submitted Report No 67/18 by the Chief Finance Officer advising that it had been agreed that the Integration Joint Board's Audit Committee would provide an Annual Report to the Integration Joint Board.

The Report indicated that the first Annual Report was due to be considered by the Integration Joint Board at their meeting on 29 August 2018.

Attached as Appendix 1 to the Report was the Angus Integration Joint Board Annual Report 2017/18 which had been drafted by the Chief Finance Officer and reviewed by Councillor Julie Bell, Chair of the Audit Committee.

The Integration Joint Board agreed to note the contents of the Report.

## **6. 2017/18 ANGUS INTEGRATION JOINT BOARD – ASSURANCES FROM PARTNERS**

With reference to Article 6 of the minute of meeting of this Committee of 30 August 2017, there was submitted Report No 68/18 by the Chief Finance Officer providing an update on the receipt of assurances from NHS Tayside and Angus Council regarding their governance arrangements.

The Report indicated that on an annual basis the Integration Joint Board had to include a Governance Statement within its Annual Accounts. The Angus Integration Joint Board Audit Committee had considered the Angus Integration Joint Board's draft 2017/18 Governance Statement at its June meeting.

Angus Council's Scrutiny and Audit Committee had met and after reviewing the Council's Annual Internal Audit Report and draft Governance Statement in June 2018, had proposed to issue a letter to Angus Integration Joint Board confirming the status of Angus Council's governance arrangements for 2017/18 and the reliance Angus Integration Joint Board could place on these. The issuing of this letter was confirmed at Angus Council's Scrutiny and Audit Committee on 21 August 2018.

The Chief Finance Officer advised that the 2017/18 assurance confirmation letter had been signed off by the Convener of Angus Council's Scrutiny and Audit Committee

The Integration Joint Board's draft Governance Statement for 2017/8 noted there had been ongoing governance issues within NHS Tayside during 2017/18, which had been summarised in a Report to the NHS Tayside's Audit Committee in late June 2018, (Agenda Item 12.3, Report No 42/2018 referred).

The Integration Joint Board Audit Committee agreed:

- (i) to note that the Integration Joint Board had issued confirmation of the adequacy and effectiveness of the governance arrangements in place within Angus Integration Joint Board for 2017/18 to NHS Tayside and Angus Council;
- (ii) to note the position regarding confirmation of receipt of the assurance from Angus Council;

- (iii) to note the status of governance arrangements within NHS Tayside;
- (iv) to note that the status of assurances from NHS Tayside and Angus Council was consistent with the contents of the final Integration Joint Board's Governance Statement in the audited Annual Accounts.

## **7. 2017/18 AUDIT ANNUAL ACCOUNTS**

With reference to Article 7 of the minute of meeting of this Committee of 30 August 2017, there was submitted Report No 69/18 by the Chief Finance Officer detailing the output from the Integration Joint Board's External Auditor's Annual Report of Angus Integration Joint Board and the Integration Joint Board's (IJB) audited annual accounts for the period to 31 March 2018.

The Report indicated that the Integration Joint Board's Audit Committee had responsibility to scrutinise the IJB's Annual Accounts for the period 31 March 2018 which also included final approval of those Annual Accounts after consideration of the External Auditor's Report.

The IJB's audited Annual Accounts, together with the External Auditor's Report and cover note prepared by the Chief Finance Officer would be shared with the Integration Joint Board members post approval of the Annual Accounts.

Gillian Woolman, Assistant Director, Audit Scotland provided an overview of the External Auditor's Annual Report and highlighted a number of key areas in relation to the 2017/18 Annual Report and Accounts, Financial Management and Sustainability and Governance, Transparency and Value for Money.

Following discussion and having heard the concerns from a number of members in terms of Recommendation 5 in relation to workforce planning, and having heard from the Chief Finance Officer who indicated that it would be considered appropriate for any future report in this regard to be shared with the main Integration Joint Board.

With reference to the Other Matters section of the Report, the Chair referred to the EU withdrawal, thereafter it was agreed that consideration of the impact of EU withdrawal required to be commenced.

The Integration Joint Board Audit Committee agreed:-

- (i) to accept the External Auditor's Annual Report for Angus Integration Joint Board (including associated covering letter and the "Proposed Independent Auditor's Report" for the period to 31 March 2018, specifically included noting the key audit report recommendations and accepting the associated agreed management actions;
- (ii) to approve the audited Annual Accounts for signature by the Chair, Chief Officer and the Chief Finance Officer of the Integration Joint Board; and
- (iii) to request that updates regarding management actions be reported to the future Audit Committees.

## **8. INTERNAL AUDIT REPORTS – FOLLOW UP ACTIONS**

With reference to Article 5 of the minute of meeting of this Committee of 27 June 2018, there was submitted Report No 70/18 by the Chief Finance Officer updating members regarding the Integration Joint Board's (IJB) progress with meeting the recommendations of Internal Audit reports.

The Report indicated that on a regular basis the Integration Joint Board's Audit Committee received Internal Audit final reports setting out the findings of agreed Internal Audits. Many of these reports had recommendations for improvements.

In recent months the IJB's Audit Committee had increasingly acknowledged the need to be able to monitor progress with governance issues. The first Internal Audit Follow Up summary was

attached as an Appendix to the Report. The list contained “recommendations” from the 2016/17 and 2017/18 Audits (where they had not already been superseded) and set out the agreed management responses, lead officers, due date and information about status to date with reference to the “due date” and provided brief commentary on the current status.

The Report also provided a routine basis going forward and would augment other reports that document progress with overall governance issues.

Following discussion and having heard from some members, the Integration Joint Board Audit Committee agreed to note the Report and the progress made to date in terms of delivering the planned outcomes.

## **9. GOVERNANCE ACTION PLAN**

There was submitted Report No 71/18 by the Chief Finance Officer providing an update on the progress with developing the Governance Actions Plans.

The Report indicated that since the inception of the Integration Joint Board (IJB) in 2016, the IJB had sought to address a series of emerging governance issues. During the 2017/18 year-end review it was noted that the IJB required to hold a more composite list of governance actions that required development.

Work to produce a composite list of issues was still ongoing. Appendix 1 to the Report outlined the proposed Governance Actions Plan. The state of progress with the Report partly reflected that the governance focus since the last Audit Committee had been on the completion of the Annual Accounts audit process.

The actions plan will be developed further with Internal Audit and a more complete version would be available for future meetings.

The Chief Finance Officer provided an overview of the Report and highlighted that the Appendix to the Report was a work in progress and that the actions had been grouped together under the appropriate theme.

Some members highlighted their concerns in terms of the Workforce/Staff Governance theme, particularly in relation to staff sickness and the level of appropriate support required.

Having heard from the Chief Finance Officer who indicated that it was proposed that a Workforce Planning Report would be presented to the Integration Joint Board in due course, the Integration Joint Board Audit Committee agreed:-

- (i) to note the developing stages of the Governance Actions Plan; and
- (ii) to request that updates be submitted to all future meetings of the Angus Integration Joint Board Audit Committee until agreed otherwise.

## **10. INTERNAL AUDIT PLAN 2018/19**

With reference to Article 4 of the minute of meeting of this Committee of 30 August 2017, there was submitted Report No 72/18 by the Chief Finance Officer seeking approval for the Annual Internal Plan for Angus Integration Joint Board for 2018/19.

The Report indicated that in March 2016, the Integration Joint Board approved the appointment of Fife, Tayside and Forth Management Services (FTF) as the IJB's Internal Auditors with support provided by Angus Council Internal Audit, all on an ongoing basis. Angus IJB's internal Auditors required to have an approved annual Internal Audit plan.

Attached as Appendix 1 to the Report was the Internal Audit 2018/19, which described how the available resource would be utilised during the year. The Appendix included a proposed plan designed to target priority issues identified by the Internal Auditors assessment of risk.

The proposals reflected a range of general governance issues and then primarily focused on two areas of current risk – Prescribing and Workforce.

The Chief Finance Officer outlined the key areas of the Report.

Following discussion and having heard from some members, the Integration Joint Board Audit Committee agreed:-

- (i) to approve the Internal Audit Plan for 2017/18, attached as an Appendix to the Report; and
- (ii) to request that Angus Integration Joint Board's Internal Auditors proceed with the implementation of the approved Audit Plan and for the Chief Finance Officer, in conjunction with Internal Audit, to report back as required to the Audit Committee regarding the progress of that Plan.

## **11. EXTERNAL REPORTS**

With reference to Article 10 of the minute of meeting of this Committee of 27 June 2018, there was submitted Report No IJB 73/18 by the Chief Finance Officer providing members with an update regarding external, often national reports, which were of interest to the Audit Committee.

The Report indicated that on a regular basis, reports were published by external bodies that were relevant and useful to Angus Integration Joint Board. As part of the 2016/17 External Audit process, Audit Scotland particularly recommended that Angus Integration Joint Board consider the relevant Audit Scotland reports on a regular basis. The principle associated with Audit Scotland reports should be extended to other relevant reports.

The Report highlighted reports of relevance, but also noted specific issues or potential actions that could emanate from these reports. The list of reports covered the period from March 2018 to early June 2018.

The Integration Joint Board Audit Committee noted the publication of the Reports, as outlined in Section 2 of the Report.

## **12. DATE OF NEXT MEETING**

It was noted that the next meeting of the Angus Health and Social Care Integration Joint Board Audit Committee would be held on Wednesday 12 December 2018 at 12 noon in the Committee Room, Town and County Hall, Forfar.