

**ANGUS IJB  
INTERNAL AUDIT SERVICE**



**ANNUAL INTERNAL AUDIT REPORT**

**2018/2019**

Issued To: V Irons, Chief Officer

S Berry, Chief Finance Officer  
G Bowie, Head of Community Health and Care (South)  
A Clement Associate Medical Director  
G Smith, Head of Community Health and Care (North)

Angus Integration Joint Board  
External Audit- Audit Scotland

Date Issued: 14 June 2019

## ANNUAL INTERNAL AUDIT REPORT 2018/19

### INTRODUCTION AND CONCLUSION

1. The Integrated Resources Advisory Group (IRAG) guidance outlines the responsibility of the Integration Joint Board (the IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of arrangements for risk management, governance and control of the delegated resources.
2. This guidance states that the IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control.
3. Guidance issued in April 2017 requires IJBs to prepare their annual accounts and governance statements in accordance with Local Authority Accounts (Scotland) Regulations 2014. These regulations require an authority to:
  - i) Be responsible for ensuring that the financial management of the authority is adequate and effective and that the authority has a sound system of internal control which:
    - (a) facilitates the effective exercise of the authority's functions; and
    - (b) includes arrangements for the management of risk.
  - ii) Conduct a review at least once in each financial year of the effectiveness of its system of internal control.
4. The CIPFA 'Delivering Good Governance' in Local Government Framework 2016 places a responsibility on the authority to ensure *additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.*
5. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control. As Chief Internal Auditor, this annual report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2018/19.
6. This review examined the framework in place during the financial year 2018/2019 to provide assurance to the Chief Officer, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the IJB's objectives. It considered:
  - ✧ Corporate Governance
    - Clinical Governance
    - Staff Governance
    - Financial Governance
    - Information Governance

7. The 2015/16 IJB Annual Internal Audit Report first recommended that accountability and responsibilities of the IJB in respect of all governance arrangements should be clarified and agreed by the IJB, and thereafter flow through to risk management and assurance arrangements. Whilst progress has been made, a number of matters remain outstanding; due to the complexity, sensitivity and difficulty of the issues as well as the capacity of the IJB to deliver governance changes whilst implementing substantial transformative change.
8. Whilst the IJB has made good progress strategically, operationally and financially and its governance is characterised by openness and transparency, a range of governance developments identified within the IJB's own self assessment and through internal and external audit recommendations have not progressed as anticipated. Previous reports have acknowledged that the IJB was a developing organisation and that its governance structures were, therefore, necessarily emergent. However, after three years of operation, there should be greater evidence of increasing governance maturity, recognising that historically, the lack of engagement and in some cases support by partners has been an impediment to progress.
9. The need for immediate governance improvements has crystallised through the publication of the Ministerial Strategic Group (MSG) for Health and Community Care *'Review of Progress with Integration of Health and Social Care, Final Report, February 2019'*, which shows that most of the problems we have identified locally are replicated across Scotland. The IJB submitted its draft response to this report to the SGHSCD in May 2019. Whilst many areas were assessed as established, with around a third as *'Partly established'*, proposed improvement actions are included against all proposals, including the one assessed as *'Exemplary'* under *'Meaningful and sustained engagement'*.
10. It is to be hoped that the impetus created by the MSG report will create an environment in which significant and rapid progress may be achieved.
11. It is vital that the Audit Committee regularly monitors progress in implementing the actions arising for the MSG report combined with previously agreed governance actions and is aware of the consequences of any non achievement to the overall control environment.
12. Angus IJB directs more than half of its services from NHS Tayside but is also in an interdependent relationship with both parent bodies in which the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement concludes that corporate governance was operating effectively throughout the financial year. Angus Council has drafted a Governance Statement which concludes that in 2018/19 the Council continued to demonstrate that the governance arrangements and framework within which the council operates are sound and operating effectively. In addition, the Annual Internal Audit Report concludes that the Council has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money.
13. Whilst these statements contain some issues which are of interest to the IJB, neither would give rise to any requirement for consideration in the IJB's Governance Statement.

14. The IJB has produced a draft Governance Statement for 2018/19 which reflects the IJB's own assessment for areas for development, setting out a number of actions to further strengthen governance arrangements. A number of these are outstanding from previous years and are now included in a draft Governance Action Plan. This will need to be revisited and extended to include actions arising from the MSG self assessment and this report.
15. As Chief Internal Auditor, this annual report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2018/19.
16. Based on work undertaken I have concluded that:

- **Reliance can be placed on the IJBs governance arrangements and systems of internal controls for 2018/19.**

17. In addition, I have not advised management of any concerns around the following:

- **Consistency of the Governance Statement with information that we are aware of from our work;**
- **The format and content of the Governance Statement in relation to the relevant guidance;**
- **The disclosure of all relevant issues.**

## **ACTION**

18. The IJB is asked to **note** this report in evaluating the internal control environment for 2018/19 and **consider** any actions to be taken on the issues reported for consideration.

## **INTERNAL CONTROL**

19. Following a meeting of Angus IJB in March 2016, FTF were appointed as the IJB's Internal Audit Service. The Audit Committee has approved the Internal Audit Charter as well as a protocol for the sharing of audit outputs between the partner organisations. We can confirm that FTF complies with the Public Sector Internal Audit Standards (PSIAS).
20. During 2018/19 the NHS Tayside Internal Audit Service was externally quality assessed (EQA) by the Institute of Internal Auditors and concluded that FTF generally conforms to the International Professional Practice Framework (IPPF). An EQA action plan is in place and being monitored through the NHS Tayside Audit & Risk Committee. For Angus Council Internal Audit, an External Quality Assessment (EQA) performed in late 2014 by CIPFA confirmed that Internal Audit was fully compliant with the requirements of the PSIAS. An annual self-assessment is undertaken to confirm continuing compliance with the Standards. An EQA will be carried out during 2019/20 through the peer review arrangements in SLACIAG (Scottish Local Authorities Chief Internal Auditor Group).
21. The 2018/19 internal audit plan was approved by the IJB Audit Committee in August 2018. Audit work has been undertaken, in partnership with the Angus Council Internal Audit Service, sufficient to allow the Chief Internal Auditor to provide his opinion on the adequacy and effectiveness of internal controls.

22. To inform our assessment of the internal control framework, we developed a self assessment governance checklist for completion by management. The checklist was based on requirements of the Integration Scheme, guidance issued by the Scottish Government to support Health and Social Care Integration and best practice. It was also cross referenced to the requirements of the CIPFA 'Delivering Good Governance in Local Government Framework 2016' and supporting guidance notes for Scottish Authorities. Our update of the checklist for 2018/19 focused on the proposals laid out in the February 2019 'Review of Progress with Integration of Health and Social Care' by the Ministerial Strategic Group for Health and Community Care.
23. Internal Audit validated the assessments reached through discussion with management and examination of the supporting evidence and documentation. Based on our validation work, we can provide assurance on the following key arrangements in place by 31 March 2019; and also comment on where further development is needed in 2019/20. Based on our assessment, we also recommend further issues for consideration by management.
24. Last year we recommended that a Governance Action Plan be created to include actions within the Annual Internal Audit Report, a RAG rating for outstanding issues and include greater clarity on whether the action is on track, remedial action taken and the effectiveness of that action. A draft plan was created but not maintained and will need to be revisited and extended so that the implementation of actions arising from the MSG report can be incorporated and monitored, taking account of the considerable duplication between our findings and those of the MSG.
25. It is vital that the Audit Committee continues to monitor progress regularly in implementing agreed actions and understands the consequences of any non achievement or slippage in the governance action plan in overall context.
26. Our evaluation of the IJB's Governance Framework is summarised below.

<b>A - Corporate Governance</b>	
<b>A1 - Key arrangements in place as at year end 2018/19</b>	
<ol style="list-style-type: none"> <li>I.</li> <li>II.</li> <li>III.</li> </ol>	<p>Following a self assessment exercise based on the Audit Scotland 'NHS in Scotland 2017 - Checklist for Councillors and Board Members', the April 2018 Audit Committee requested improvements in relation to longer term financial planning, improvement in performance reporting to cover remedial action, and longer term workforce planning. We have evidenced developments in all these areas.</p> <p>A Governance update was provided to the April 2018 Audit Committee, followed by a first draft of a Governance action plan in August 2018 to address issues identified both internally as well as by internal and external audit to the August meeting. The Committee agreed that all future meetings would receive an update. However, while a follow up report is now regularly produced for standard Internal Audit and External Audit report actions, the overall governance action plan (including actions from the annual review) was not maintained.</p> <p>The Audit Committee met on 4 occasions during 2018/19 and also held a development event held for members. We commend good practice including the focus on self evaluation as well as in the follow up of action taken in</p>

- response to specific internal and external audit recommendations. The Committee is also provided with information on relevant external reports.
- IV. The Audit Scotland report 'Health & Social Care Integration - Update on Progress' was presented to the full IJB in December 2018. The IJB's response has not been formally produced but we would note that most issues were also highlighted within the MSG report which will result in an agreed action plan. We would also highlight that the HSCI governance principles agreed with NHS Tayside do cover many of the proposals within the MSG report and the Audit Scotland review.
  - V. We evidenced regular performance reporting to the IJB as well as the production of the Annual Strategic Progress and Performance report in June 2018 showing that Angus IJB generally performs similarly or better to the Scottish average in relation to most national core indicators. Internal Audit previously reviewed performance management arrangements under AN05/17 and most of the actions have been addressed, with some complex issues which are dependent on multi agency agreement, still to be completed.
  - VI. A midyear Strategic Progress and Performance Report using local data against the 5 national indicators that are deemed to be most directly linked to actions in Angus IJB's strategic plan overall showed a positive picture but with declining performance in relation to hospital readmissions and falls. Previously, the IJB received follow up reports including assurance on causes and remedial action to be taken where performance off track was identified in relation to delayed discharges. We commend this approach and would recommend that this is adopted generally where performance falls below agreed parameters.
  - VII. Following review and public consultation, the Strategic Commissioning Plan 2019-2022 was presented to the April 2019 IJB for final approval. During 2018/19, the IJB was kept updated on the development of plan.
  - VIII. Our review of agendas and minutes of the IJB during the year shows that in this third year of operation, the main focus of the IJB was redesigning care, within a clear context of making best use of available resources. The IJB regularly received progress reports against a number of projects, such as the Angus Care Model and Primary Care updates as well as the Mental Health Service Redesign Transformation Programme (MHSRTP), Carers' Act implementation and the new GP contract.
  - IX. In June 2017 members agreed the reporting schedule for the Improvement & Change programme which takes a programme management approach to service redesign within the social care services area. While some parts of the programme have been reported to the IJB, updates previously planned for the June 2018 meeting were not received in relation to this programme of work during 2018/19. However, updates on 'planned interventions', which summarise service redesign and cost reduction work across the IJB, were included in financial reports to the IJB.
  - X. We also evidenced a clear link between the organisation's highest financial and strategic risks and reporting received, for example the regular Prescribing management updates.
  - XI. Progress on implementation with the Communication, Participation & Engagement Strategy was reported but also highlighted a lack of capacity to implement further improvements.
  - XII. The April 2018 IJB approved an Equalities outcomes plan for 2018-20 as well

	as a report on progress in 2016-2018.
XIII.	Since June 2017, the Chair of the IJB acts as the IJB's representative to the Angus Community Planning Partnership Board.
XIV.	Action points updates are in place and reported to each meeting of both the IJB and the Audit Committee.
XV.	The Terms of Reference and reporting lines for major IJB groups were reviewed during the year 2018/19. Internal Audit report AN06/18 found no significant problems with the current structure of the committees and groups examined in terms of supporting delivery of AHSCP's strategic objectives. A few, mainly minor, improvements were recommended to enhance the efficiency and effectiveness of the working arrangements or key committees and working groups.

## **A2 – Planned and ongoing developments**

Many of these areas have been identified as requiring development for a number of years but remain outstanding.

- I. Angus IJB has undertaken a self assessment against the proposals contained in the Ministerial Strategic Group for Health and Community Care '*Review of Progress with Integration of Health and Social Care, Final Report, February 2019*'. A report on the outcome of this exercise is planned for presentation to the IJB in June 2019. This will include actions agreed with Angus Council and NHS Tayside, which should be monitored by the Audit Committee alongside previous, similar actions recommended by Internal Audit.
- II. The IJB issued directions for the performance of delegated functions by Angus Council and NHS Tayside for 2018/19. The IJB discussed in February 2019 that this would be undertaken early in the next financial. Previously, plans were in place to confirm the funding associated with the directions in future financial years in accordance with financial plans approved by the IJB. For future years, and in line with national guidance being developed in line with the MSG report, we would recommend a clearer link between the Strategic plan 2019-2022, its implementation and the use of directions. Consideration should be given to updating the committee report template to include a heading on directions to ensure this is addressed as part of any decision making by the IJB.
- III. Whilst arrangements are not yet sufficiently mature to allow the organisation to conclude definitively on Best Value, a section on Best Value was included in the Angus HSCP's Strategic Progress & Performance Report 2017/18. We have been informed that management are reviewing the Audit Scotland guidance issued in March 2018 with a view to enhancing this section in the annual performance report going forward.
- IV. A review of Angus IJB risk management arrangements was approved by the IJB in April 2018 and the June 2018 Audit Committee received a Corporate Strategic Risk Management report setting out the arrangements to date. As well as review at operational management level, the Angus Clinical, Care & Professional Governance Forum receives an update report in the form of an assurance framework on the corporate strategic risks at each of its meetings. The forum provided its annual assurance report to the Angus IJB Audit Committee in April 2019 and concluded that the forum fulfilled its remit during financial year 2018/19.

- |       |   |
|-------|---|
| V.    | Work is ongoing across the 3 Tayside partnerships to update and enhance risk management arrangements especially in relation to processes for ownership, identification and escalation of risk between the IJBs and their partners. The IJB's Risk Management Strategy will require revision once new arrangements have been agreed and whilst some progress has been made, considerable work remains.   |
| VI.   | The Standing Orders of the Audit Committee were reviewed in December 2018. A further review including the overall remit of the committee is still planned but is dependent on appropriate finance function support being in place. The Audit Committee also discussed its assessment against the CIPFA 'Good Practice for Audit Committees' guidance in April 2019 and a review of the remit is included in the areas identified for improvement.   |
| VII.  | Whilst initially due in 2017/18, management has acknowledged the need to review corporate support arrangements. In line with the national picture, work in relation to further clarification in relation to Large Hospital services Set Aside budget remains outstanding and remains a concern. Agreed actions on both issues will be incorporated into the overall response to the MSG report.   |
| VIII. | Management have acknowledged that implementation of the Hosted Services Memorandum of Understanding remains outstanding. We have previously recommended that risk & performance management arrangements should be included in any further work on this area. We are aware from audit recommendation follow up updates provided to the Audit Committee in relation to performance management, that this is one of the areas where capacity has restricted the potential for further development. |
| IX.   | An implementation plan to support the delivery of the new Strategic Commissioning Plan is to be developed.  |
| X.    | Management have informed us that new resource is planned for augmenting the Improvement and Development team from May 2019 to support workforce issues.   |

### **A3 - Recommended further issues for consideration by management**

The following recommendations from previous reports remain extant:

- I. Following on from the governance update reports to the Audit Committee provided in April 2017 and 2018, we would recommend that the Audit Committee considers the governance principles adopted by the HSCI Governance working group and ensures that they are taken forward within the IJB, in partnership with both parent bodies.
- II. Any changes necessitated by a formal agreement on integration governance to be reached should be taken into consideration as part of the next update to the Standing Orders, Scheme of Delegation and Standing Financial Instructions.
- III. Whilst Angus HSCP does not have its own discrete comprehensive business continuity plan, individual services should have in place their own continuity plans based on the processes in place within the partner bodies. An exercise may be required to ensure that business continuity plans cover all services delegated to the IJB and mirror (new) integrated structures.
- IV. We previously recommended that the Audit committee provides a year-end report to the IJB, including a conclusion on whether it has fulfilled its remit and its view on the adequacy and effectiveness of the matters within its scope; as



well as reflecting on any matters of concern for future consideration. However, whilst an Audit Committee annual report 2017/18 was produced, it did not conclude on whether the committee has fulfilled its remit and delivered the functions delegated to it by the IJB.

- V. Membership of the IJB and the Audit Committee changed during the year including both voting and non-voting members. Although by 31st of March 2019 all positions were appropriately filled, further changes in membership continue to take place. Management have acknowledged that further work is needed on the induction and development process for members.

We also make the following additional recommendation arising from this year's review:

- VI. It is vital that the Audit Committee regularly monitors progress in implementing the actions arising for the MSG report combined with previously agreed governance actions (taking account of the considerable duplication between our findings and those of the MSG) and is aware of the consequences of any non achievement to the overall control environment.
- VII. Work is ongoing across the 3 Tayside partnerships to update and enhance risk management arrangements especially in relation to processes for ownership, identification and escalation of risk between the IJBs and their partners. The IJB's Risk Management Strategy will require revision once new arrangements have been agreed.

## **B - Clinical & Care Governance/ Financial Governance/ Staff Governance/ Information Governance**

### **B1 - Key arrangements in place as at year end 2018/19**

- I. The Angus Clinical, Care and Professional Group provided its annual assurance report for 2018/19 to the April 2019 Audit Committee. We commend the comprehensive work by this group. All recommendations from our previous audit report on this area (AN05/18) have now been reported as complete, with the exception of action in relation to hosted services (cf Para IX above). Additionally, the IJB received the Chief Social Work Officer Annual report 2017/18 as well as reports from the Adult and Child Protection Committees.
- II. The new Health & Social Care Standards introduced in 2018 were also considered by the IJB, including the future external inspection regime and that work would be required to incorporate these into local processes. The Angus Clinical, Care & Professional Governance Forum also considered the Health & Social Care Standards in September 2018 as well as an associated reporting mechanism.
- III. Each meeting of the IJB receives a Finance report including a risk assessment, savings progress, reserves update, and a forecast outturn position. The IJB is also kept regularly updated on the status of budget settlement discussions with the partners, which appear more advanced for 2019/20 at this stage than previously.
- IV. The projected outturn position subject to audit is a £4m operating surplus which reflects underspends for Adult Services and Local Hospital and Community Health Services being partially offset by overspends on hosted services and, in particular, Prescribing. This was a substantial change from the £2m projection, reported to the February 2019 IJB.

- V. In April 2018, the IJB shared its first multiyear financial framework for 2018/19 to 2020/21 and a revised strategic financial plan for 2019/20 to 2021/22 was recommended to the IJB for approval in April 2019. Regular updates presented to the IJB during the year on the ongoing work on the financial plan clearly set out the relationship with the Strategic Commissioning Plan and planned interventions to address the risk that there is a material shortfall in resources to deliver the Strategic plan. The updates presented and the link to workforce and corporate support evident in the discussions show the challenge for the organisation to drive the necessary transformational change within the available capacity as well as manage the business as usual. This is also mirrored by the lack of progress made in addressing the more complex governance issues raised in previous internal audit reports such as Large Hospital Set Aside. However, we commend the clear reporting and open discussion at governance level.
- VI. We were pleased to note that other papers presented, e.g. on prescribing or impact of demographic change, clearly link to the financial impact on the organisation.
- VII. A fully integrated workforce plan covering the two main employers was noted by the IJB in October 2018 which highlighted concerns in relation to capacity to effect change and improvements. Internal Audit AN06/19 concluded that *“There is a workforce plan in place which aligns with existing partner strategies and other IJB plans, however, improvements to monitoring and implementation of the plan are required to enhance the adequacy/effectiveness of risk management, control and governance.”* An update provided to the April 2019 Audit Committee showed that a number of actions had already been completed, whilst some had longer timelines reflecting the fact that they are outwith the direct control of the organisation.
- VIII. Angus IJB approved a Records Management Plan and Records Management Policy in February 2019. In line with the Scottish Information Sharing Toolkit, an IJB Information Sharing Memorandum of Understanding and Supplementary Memorandum of Understanding are in place.

**B2 - Planned and ongoing developments**

- I. The self-assessment against the MSG report will identify a number of areas which will necessitate further improvements in financial and other governance arrangements. Whilst no progress was made in relation to Schemes of delegation as previously identified, we expect this to form part of the action plan to be developed (cf Para A3- VI above)
- II. In addition to the capacity constraints identified in relation to governance improvements, the organisation has highlighted that additional support is required for, amongst other things, project and management support for prescribing, workforce & recruitment etc.
- III. The Angus Health & Social Care Partnership Executive Management Team has agreed a plan for implementation of GDPR compliant protocols and procedures and the appointment of a Data Protection Officer. An Information Governance Strategy 2019-22 and supporting policies are planned to come to the IJB in June 2019.

**B3 - Recommended further issues for consideration by management**

The following recommendation remains extant:

- |  |
|--|
| I. We previously recommended that a reporting and monitoring process for the Workforce Plan be developed. Actions agreed in response to AN06/19 should now address this. |
|--|

We also make the following additional recommendation arising from this year's review:
---

- |  |
|--|
| I. The most recent financial position reported to the IJB is as at 31 December 2018, reported to the February 2019 meeting, forecasting a £2M surplus outturn position. As part of the April 2019 paper updating the IJB on the 2019/20 budget, the 2018/19 outturn position was not updated. However, we are aware that there is a £2M positive movement at year-end. This is a significant variance from the last formally reported position, arising from a combination of lack of capacity and available data to monitor more closely. |
|--|

The reasons for this variation from latest projections to final year-end out-turn should be understood and appropriate remedial actions taken to reduce likelihood of such movement in future and for this to be reported to the Audit Committee.
---

## **ACKNOWLEDGEMENT**

27. On behalf of the Internal Audit Service I would like to take this opportunity to thank the Chief Officer and Chief Finance Officer of the IJB as well as staff within the partnership for the help and co-operation extended to Internal Audit throughout the year.

A Gaskin, BSc. ACA  
Chief Internal Auditor

Ref.	Finding	Audit Recommendation	Priority	Management Response/ Action	Action by/Date
1.	<p>Last year we recommended that a Governance Action Plan be created to include actions within the annual Internal Audit report, a RAG rating for outstanding issues and include greater clarity on whether the action is on track, remedial action taken and the effectiveness of that action. A draft plan was created but not maintained. There is considerable duplication between our previous findings and those of the MSG.</p> <p>The need for immediate governance improvements has crystallised through the publication of the Ministerial Strategic Group (MSG) for Health and Community Care 'Review of Progress with Integration of Health and Social Care, Final Report, February 2019'.</p> <p>The IJB submitted its draft response to this report to the SGHSCD in May 2019. Whilst many areas were assessed as established, with around a third as '<i>Partly established</i>', proposed improvement actions are included</p>	<p>It is vital that the Audit Committee regularly monitors progress in implementing the actions arising for the MSG report as well as previously agreed governance actions and is aware of the consequences to the overall control environment of any non achievement.</p> <p>Specifically, the following of our findings should be covered by this action plan and have not been duplicated in a separate action in this report:</p> <ul style="list-style-type: none"> <li>• Clarification of overall Governance &amp; Accountability arrangements</li> <li>• Use of Directions</li> <li>• Corporate and other support arrangements to address overall IJB capacity</li> <li>• Large Hospital Services and Set Aside Budget</li> <li>• Induction and development for members</li> <li>• Hosted Services- to include risk management,</li> </ul>	2	<p>The IJB acknowledges the need for a general Governance Action Plan and a plan will be developed for submission to the Audit Committee.</p>	<p>Chief Finance Officer 31 August 2019</p>

Ref.	Finding	Audit Recommendation	Priority	Management Response/ Action	Action by/Date
	against all proposals, including the one assessed as 'Exemplary' under 'Meaningful and sustained engagement'.	performance management and financial monitoring			
2.	We have previously recommended that the Audit Committee considers the governance principles adopted by the HSCI Governance working group and ensures that they are taken forward within the IJB, in partnership with both parent bodies. These principles are still very much relevant in the light of the MSG proposals.	<p>The HSCI principles should be taken into account when taking forward actions arising from the MSG report.</p> <p>Any changes arising from this process should be incorporated into the next update of Standing Orders, Scheme of Delegation and Standing Financial Instructions.</p>	2	<p>The IJB will take into account HSCI principles when taking forward MSG related actions with Partners.</p> <p>The IJB acknowledges that reviews of Standing Orders, Schemes of Delegation and SFIs may subsequently be required and will review these during 2019.</p>	Chief Officer 31 December 2019
3.	<p>Following a self assessment exercise based on the Audit Scotland 'NHS in Scotland 2017 - Checklist for Councillors and Board Members', the April 2018 Audit Committee requested improvements in performance reporting to cover remedial action.</p> <p>Previously, the IJB received follow up reports including assurance on causes and remedial action to be</p>	We would recommend that this approach is adopted generally where performance falls below agreed parameters.	2	The IJB acknowledges this could have been considered for issues such as hospital re-admission and falls in 2018/19. In future Performance reporting, the IJB will seek to be clearer about areas requiring follow-up reporting in future.	Head of Service (North) 31 December 2019

Ref.	Finding	Audit Recommendation	Priority	Management Response/ Action	Action by/Date
	taken where performance off track was identified in relation to delayed discharges.				
4.	Previously, plans were in place to confirm the funding associated with the directions in future financial years in accordance with financial plans approved by the IJB. Use of directions is also covered in the MSG report.	Consideration should be given to updating the committee report template to highlight any areas where a decision will require specific inclusion in directions.	2	The IJB is aware of impending Scottish Government guidance regarding the use of Directions and will amend its Board reporting to reflect revised guidance.	Chief Officer 31 August 2019 (dependent on Scottish Government guidance)
5.	Whilst Angus HSCP does not have its own discrete comprehensive business continuity plan, individual services are required have in place their own continuity plans based on the processes in place within the partner bodies.	An exercise may be required to ensure that business continuity plans cover all services delegated to the IJB and reflect the new integrated structures.	3	The IJB will review its business continuity plans through the Clinical Care and Professional Governance Forum.	Associate Medical Director 31 December 2019
6.	We previously recommended that the Audit Committee provides a year-end report to the IJB, including a conclusion on whether it has fulfilled its remit and its view on the adequacy and effectiveness of the matters under its purview; as well as reflecting on any matters of concern for	The Audit Committee's annual report should include a conclusion that the committee has fulfilled its remit and delivered the functions delegated to it by the IJB.	3	The IJB accepts this recommendation and will implement for the 2018/19 report to the IJB Board.	Chief Finance Officer 31 August 2019

Ref.	Finding	Audit Recommendation	Priority	Management Response/ Action	Action by/Date
	future consideration. However, whilst an Audit Committee annual report 2017/18 was produced, it did not conclude on whether the committee has fulfilled its remit and delivered the functions delegated to it by the IJB.				
7.	The last financial forecast to the February 2019 IJB was for a £2M surplus. The April IJB did not receive an update on this position. However, the final surplus was £4m, which is a significant variance from the last formally reported position.	The reasons for this variation from latest projections to final year-end out-turn should be understood and appropriate remedial actions taken to reduce likelihood of such movement in future and for this to be reported to the Audit Committee.	2	The IJB will ensure that Financial reports are provided to April Board meetings (assuming equivalent timing of meetings in 2019/20) to keep the IJB up to date regarding developing information.  The IJB has reviewed the reasons for variance from previous projections and reported on these to June IJB Board (Finance report). Some of the movement was attributable to revisions to previous information – the underlying issues in these circumstances will be reviewed and reported back to the IJB or Audit Committee.	Chief Finance Officer 31 August 2019