



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 26 JUNE 2019**

**2018/19 ANNUAL INTERNAL AUDIT REPORT**

**REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER**

**ABSTRACT**

To present the Annual Internal Audit Report as produced by Angus IJB's Internal Auditors.

**1. RECOMMENDATION**

It is recommended that the Angus IJB Audit Committee:-

- (i) note the report in evaluating the internal control environment for 2018/19 and consider any actions to be taken on the issues reported for consideration; and
- (ii) note and approve the audit recommendations and management responses respectively documented within the report.

**2. BACKGROUND**

Appendix 1 is Angus IJB's Internal Auditor's 2018/19 Annual Internal Audit Report. This is a document that is produced annually to provide the IJB Audit Committee with an independent view of the overall adequacy and effectiveness of the framework of governance, risk management and control within the IJB. In turn this informs the compilation of the IJB's draft Annual Governance Statement – part of the IJB's Annual Accounts (see Report IJB 28/19).

The Audit Committee is asked to note the evaluations of the internal control environment. The main conclusions made by Angus IJB's Chief Internal Auditor (see sections 15 - 17 of the report) are as follows:-

1. *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.*
2. *Based on work undertaken I have concluded that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2018/19.*
3. *In addition, I have not advised management of any concerns around the following:*
  - a. *Consistency of the Governance Statement with information that we are aware of from our work;*
  - b. *The format and content of the Governance Statement in relation to the relevant guidance;*
  - c. *The disclosure of all relevant issues.*

This conclusion is reflected in the IJB's draft Governance Statement.

The Audit Committee are also required to consider any actions required on the issues reported for consideration. There are a number of issues recommended for consideration by the IJB, many reflective of shortcomings documented previously. While the IJB's Internal Auditors have previously noted that the IJB was an emerging or developing organisation, at

the end of the third year of operation, Internal Audit have clearly highlighted they are looking for a further stepped improvement with the IJB's governance arrangements. There are a number of areas of improvement documented including the clarification of governance arrangements, reviews of corporate support, development of Large Hospital Set Aside mechanisms, that have been raised before. Generally it is recommend that the Audit Committee monitor the progress with these issues closely and consequently it is agreed that a governance action plan be reinstated reflecting the requirements to monitor and develop governance arrangements.

It is important to note that factors such as the complexity of these issues, the requirement to work with other parties (e.g. re Large Hospital Set Aside), the management capacity available and the competing demands across a range of governance and operational issues – all factors that have been prevalent in previous years - remain concerns in resolving these issues.

### **3. CONCLUSION**

The IJB's Audit Committee is required to note this report and consider the issues raised in this report. The Audit Committee note and approve the audit recommendations and management responses set out within the report.

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List of Appendices:  
Appendix 1: 2018/19 Annual Internal Audit Report