

## **AGENDA ITEM NO 3 (a)**

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 26 June 2019 at 11.00am.

**Present:           Members of Audit Committee**

Councillor JULIE BELL, Angus Council  
PETER BURKE, Carers Representative  
ANDREW JACK, Service User Representative  
KATHRYN LINDSAY, Chief Social Work Officer  
GRAEME MARTIN, Non-Executive Board Member

**Advisory Officers**

SANDY BERRY, Chief Finance Officer  
VICKY IRONS, Chief Officer  
GAIL SMITH, Head of Community Health and Care Services - North  
DAVID THOMPSON, Manager – Legal Team 1, 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 – Support Services Team  
SHEILA PETRIE, Team Leader, Support Services Team - Observer

Councillor Julie Bell, in the Chair

**1.       APOLOGIES**

The Committee noted there were no apologies intimated.

Introductions took place.

**2.       DECLARATIONS OF INTEREST**

There were no declarations of interest made.

**3.       MINUTES INCLUDING ACTION LOG**

**(a) Previous Meeting**

The minute of the previous meeting of 24 April 2019 was submitted and approved as a correct record, subject to Item 8, paragraph 6 being amended to read “main” instead of “mains”.

**(b) Audit Committee Action Points**

The action points of this Committee of 24 April 2019 was submitted and noted.

The Chair requested an update in relation to action point – Item 7 of the meeting of 12 December 2018, in terms of the joint development session to IJB partner agencies which was noted as being under consideration. The Chief Officer provided an update and also intimated that she would discuss this further with both Chief Executives and report back in due course.

#### **4. 2018/19 AND 2019/20 INTERNAL AUDIT PLAN – PROGRESS REPORT**

With reference to Article 5 of the minute of meeting of 24 April 2019, there was submitted Report No 24/19 by the Chief Finance Officer setting out progress towards completion of the 2018/19 Internal Audit Plan and progress towards the delivery of the 2019/20 Internal Audit Plan.

Appendix 1 to the Report outlined the Angus Integration Joint Board's Internal Auditor's progress report on both the 2018/19 Internal Audit Plan and the provisional 2019/20 Internal Audit Plan. An equivalent Report would be produced routinely for all Audit Committee meetings describing progress with Internal Audit Plans.

The Chief Internal Auditor provided an overview of the Report and also took the opportunity to highlight the good working relationship with Angus Council's Audit team and also the Chief Finance Officer.

Following a point raised by the Chair in terms of capacity to deliver the ongoing Plan, the Chief Internal Auditor confirmed that he considered that there was sufficient capacity and support to ensure delivery of the Internal Audit Plan.

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

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

With reference to Article 6 of the minute of meeting of this Committee of 24 April 2019, there was submitted Report No IJB 25/19 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 and that final versions of reports would have agreed "management responses" to those recommendations of the Internal Auditors.

The latest Internal Audit Follow Up summary was attached as an Appendix to the Report. The list contained "recommendations" from the 2016/17, 2017/18 and 2018/19 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. Status updates were provided by Lead Officers and collated in the period prior to an Audit Committee. Actions that were "complete" would be reported for two successive Audit Committees to provide context.

The Report provided updates in terms of AN06/17 – Performance Management, AN07/18 - Financial Management, AN06/18 - Governance Mapping and AN06/19 - Workforce Optimisation which were detailed in the Report.

The Chief Finance Officer provided a brief overview of the Report, in particular highlighting the AN06/17 Performance Management and AN07/18 Financial Management Internal Audits.

Some members raised points in relation to the use of terminology, for reporting dates to be included within the Report and also in terms of the use of SMART action plans in future reports. In response, the Chief Officer and the Chief Finance Officer indicated that the points raised would be reviewed and reflected in future reporting.

The Chair referred to the significant task involved in terms of the Large Hospital Set Aside, and in response the Chief Officer provided an update and also confirmed that the Ministerial Strategic Group Report highlighted the progress of Integration of Health and Social Care and had proposed an improvement action in that NHS Tayside would require to work with Integration Joint Boards to develop the Large Hospital Set Aside agenda.

The Integration Joint Board Audit Committee agreed to note the Report and the progress made to date in terms of delivering the planned outcomes.

## **6. GOVERNANCE UPDATE FOR SERVICES DELIVERED WITHIN ANGUS COUNCIL**

There was submitted Report No IJB 26/19 by the Chief Finance Officer briefing members in relation to the output of the Angus Health and Social Care Partnership submission to Angus Council regarding governance arrangements for services managed by Angus Health and Social Care Partnership within Angus Council.

The Report indicated that on an annual basis, Angus Council reviewed departmental governance arrangements regarding issues such as corporate governance, information governance and financial governance. At the end of 2018/19, the Health and Social Care Partnership (HSCP) reflected that the HSCP delivered services through Angus Council, had completed the review for the first time and had since put forward a submission to Angus Council.

The submission had highlighted a number of areas for further review which were outlined in Section 2.1 of the Report.

Having heard from the Chief Finance Officer, the Integration Joint Board Audit Committee agreed:-

- (i) to note the main points from the update; and
- (ii) to note that an action plan was being progressed to resolve issues raised in the submission.

## **7. 2018/19 ANNUAL INTERNAL AUDIT REPORT**

With reference to Article 7 of the minute of meeting of this Committee of 27 June 2018, there was submitted Report No IJB 27/18 by the Chief Finance Officer presenting the Annual Internal Audit Report as produced by Angus Integration Joint Board's (IJB) Internal Auditors.

Appendix 1 to the Report outlined the Angus Integration Joint Board's Internal Auditors 2018/19 Annual Internal Audit Report.

The Report was 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 informed the compilation of the IJB's draft Annual Governance Statement – part of the IJB's Annual Accounts (Report IJB 28/19 refers).

The main conclusions made by Angus IJB's Chief Internal Auditor were outlined in Section 2 of the Report.

There were a number of issues recommended for consideration by the IJB, many reflective of shortcomings documented previously. Whilst the IJB's Internal Auditors had previously noted that the IJB was an emerging or developing organisation, at the end of the third year of operation, Internal Audit had clearly highlighted they were looking for a further stepped improvement with the IJB's governance arrangements. There were 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 had been raised previously.

The Chief Internal Auditor provided a detailed overview of the Report.

The Head of Community Health and Care Services – North raised concern in terms of the wording of the last paragraph of point 8 of the introduction and conclusion section of the Report. In response, the Chief Internal Auditor reflected on the positive contents of the Report and highlighted that Angus had made good progress in comparison to other IJBs but that progress

had not been as anticipated. He also referred to the Ministerial Strategic Group Report which had highlighted that most issues encountered locally were replicated across Scotland.

The Chief Finance Officer highlighted that a number of factors had been prevalent in previous years and that there continued to be concerns in resolving those issues however expressed the importance to further progress and action a number of areas to strengthen the governance arrangements.

The Chief Officer also made reference to the Ministerial Strategic Group Report which had highlighted a number of areas of improvement that would require to be actioned.

She also highlighted that given the number of membership changes to both the IJB and the IJB Audit Committee, it was considered necessary that induction and development sessions be repeated. She also advised that in terms of recommendation 3 of the Report, a Falls Follow Up Report would require to be prepared by the Head of Community Health and Care – North and submitted to the Integration Joint Board no later than 31 December 2019.

The Head of Community Health and Care – North highlighted that Section B1 (i) of the Report referred to “The Angus Clinical, Care and Professional Group” but should have read “The Angus Clinical, Care and Professional Governance Group” and requested that this be amended accordingly.

The Chief Internal Auditor thereafter took the opportunity to thank the Chief Finance Officer, Chief Officer and also staff within the Partnership for their support and assistance extended to Internal Audit throughout the year.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Annual Internal Audit Report in evaluating the internal control environment for 2018/19 and considered actions to be taken on the issues reported for consideration;
- (ii) to note and approve the audit recommendations and management responses respectively documented within the Report;
- (iii) to request the Chief Officer to make the necessary arrangements to progress the induction and development sessions for new members of the Integration Joint Board and Integration Joint Board Audit Committee; and
- (iv) that a Falls Follow Up Report be prepared by the Head of Community Health and Care – North and submitted to the Integration Joint Board no later than 31 December 2019.

## **8. 2017/18 ANGUS INTEGRATION JOINT BOARD – GOVERNANCE STATEMENT**

With reference to Article 8 of the minute of meeting of this Committee of 27 June 2018, there was submitted Report No IJB 28/19 by the Chief Finance Officer setting out the Integration Joint Board’s (IJB) draft Governance Statement for financial year 2018/19. If approved, the Governance Statement would then be formally included in the IJB’s 2018/19 Annual Accounts.

The Report indicated that on an annual basis the Integration Joint Board had to include a Governance Statement within its Annual Accounts. This statement was intended to explain the IJB’s governance arrangements and effectiveness of the IJB’s system of internal control.

The Governance Statement acknowledged that a number of issues for development in 2019/20 had previously been documents for development in both 2016/17 and 2017/18 Governance Statements. As noted elsewhere, it was important to note that factors such as the complexity of these issues, the requirement to work with other parties (e.g. regarding Large Hospital Set Aside), the management capacity available and the competing demands across a range of governance and operational issues, all factors that had been prevalent in previous years, remained concerns in resolving those issues.

The Chief Finance Officer provided an informative overview of the Report highlighting the key development issues, the requirement to further develop the use of Directions to Partners and to also review business continuity plans.

Following discussion, members questions and comments in terms of the key areas for improvement as outlined in the development issues section of the Report, the Chief Officer advised that progression with these issues had been limited due to their complexity, the requirement to work with other partners, the management capacity available and the competing demands across a range of governance and operational issues. She also highlighted that the IJB would also consider the requirements and actions that needed to be taken forward following the self-evaluation exercise associated to the Ministerial Steering Group for Health and Social Care Integration Review.

The Integration Joint Board Audit Committee agreed:-

- (i) to approve the Integration Joint Board's 2018/19 Governance Statement; and
- (ii) to authorise the Chair of the Integration Joint Board's Audit Committee to write to both Angus Council and NHS Tayside confirming the adequacy and effectiveness of the governance arrangements within Angus Integration Joint Board for 2018/19, including sharing the latest version of the Governance Statement.

## **9. ANGUS INTEGRATION JOINT BOARD – UNAUDITED ANNUAL ACCOUNTS**

With reference to Article 9 of the minute of meeting of this Committee of 27 June 2018, there was submitted Report No IJB 29/19 by the Chief Finance Officer setting out the Integration Joint Board's unaudited annual accounts for financial year 2018/19.

The Report indicated that as a formally constituted body, the IJB was required to produce a set of formal Annual Accounts. The Accounts have been produced in line with LASAAC (Local Authority Scotland Accounts Advisory Committee) guidance 'Additional Guidance on Accounting for the Integration of Health and Social Care'(revised March 2019) and with reference to the template for IJB Annual Accounts produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and taking into account the "Good Practice Note on Improving the Quality of Local Authority Annual Accounts (Integration Joint Boards)" produced by Audit Scotland, April 2018.

Attached as Appendix 1 to the Report were the Integration Joint Board's Unaudited Annual Accounts for 2018/19.

The unaudited Annual Accounts submitted to the Integration Joint Board's External Auditors would include a Governance Statement that was the subject of separate Audit Committee consideration and an extract of the Integration Joint Board's Annual Performance Report.

The Chief Finance Officer provided a brief summary of the Report also highlighted that in terms of Reserves, the IJB was reporting an increased number of "ear marked" reserves. This reflected further progress in the development of funds from NHS Tayside to Angus IJB, an increase in Scottish Government funding streams that had required year end reserves due to the developing nature of programmes, for example, the implementation of Primary Care Improvement, Action 15 and Alcohol and Drug Partnership plans, and the IJB's internal plans regarding developing reserves to support the Strategic Plan and for holding balances in advance of further discussions with Partners.

In response to a question from the Service User Representative, the Chief Finance Officer indicated that should a balanced financial plan be undeliverable, then the Strategic Plan would require to be reviewed.

The Chief Officer highlighted that given the financial position outlined, she confirmed that Angus IJB was in a much healthier financial position than other IJBs.

The Carers Representative referred to the financial risk table detailed in Section 9 Financial Outlook of the Report and highlighted that the word “estates” should read “estimates”.

The Chief Finance Officer agreed the minor amendment to the Report and requested, should there be any further amendments that these be forwarded to him as soon as possible. He also advised that the unaudited Annual Accounts would be submitted to the IJB’s External Auditors and subsequently the audited Annual Accounts would be considered at the next meeting of this Committee in August 2019.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the background regarding compilation of the Integration Joint Board’s 2018/19 Unaudited Annual Accounts; and
- (ii) to confirm the submission of the unaudited Annual Accounts to the Integration Joint Board’s External Auditors.

## **10. EXTERNAL REPORTS**

With reference to Article 9 of the minute of meeting of this Committee of 24 April 2019, there was submitted Report No IJB 30/19 by the Chief Finance Officer updating members regarding external, often national, reports that 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 IJB. As part of the 2016/17 External Audit process, Audit Scotland particularly recommended that Angus IJB 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 April 2019 to early June 2019. The Reports listed were:- Clinical Management of Breast Cancer in NHS Tayside; Waiting for care – is Scotland meeting its commitment to Older People; and General Medical Services contract in Scotland – A short guide.

The Chief Finance Officer highlighted that it would be beneficial for all IJB members to have sight of the “External Reports” and subsequently it was agreed to explore sharing this information with IJB members.

The Chair highlighted that she considered the Clinical Management of Breast Cancer in NHS Tayside Report, upsetting.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the publication of the Reports, as outlined in Section 2.2 of the Report; and
- (iii) that the Chief Finance Officer would explore sharing information within the “External Reports” report with IJB Board members.

## **11. MINISTERIAL STRATEGIC GROUP – REVIEW OF PROGRESS OF INTEGRATION OF HEALTH AND SOCIAL CARE**

There was submitted Report No IJB 31/19 by the Chief Officer updating members on responding to the Ministerial Strategic Group’s Report regarding the progress towards the Integration of Health and Social Care.

The Report indicated that since 2016, work had been underway across Scotland to integrate health and social care services in line with the Public Bodies (Joint Working) (Scotland) Act 2014. A Ministerial Strategic Group for Health and Community Care (MSG) was established

with representation from COSLA. Subsequently, the MSG had undertaken a review of progress with Integration across Scotland producing a final report in February 2019.

The Review of Progress with Integration of Health and Social Care Report made a number of proposals for implementation by Integration Authorities and their partners (Local Authorities and NHS Boards) in six themes. Integration Authorities had been asked by the MSG to undertake a self-evaluation in relation to the proposals and to develop an improvement plan to address any areas where insufficient progress had been made. The Angus self-evaluation had been submitted to the MSG and had already been subject to scrutiny by the MSG. An Angus improvement plan would be developed by the end of July 2019.

The Chief Officer provided an overview and update of the Report. She indicated that the self-evaluation template had been completed. The information was captured and gathered from a number of sources including Angus Council, NHS Tayside, Strategic Planning Group and other partners of the IJB. A significant number of responses had been received which had reflected a broad spectrum of views. A full debate had taken place with the Council's Chief Executive. Both Angus Council and NHS Chief Executives had approved the Angus self-evaluation. She also advised that the Angus self-evaluation had been shared with the national group and other Chief Officers.

She emphasised the requirement to identify and share good practice and that opportunities should be taken to collaborate and learn from others. The Angus Action Plan was in progress and would be developed by the end of July 2019. She also confirmed that the self-evaluation process would be repeated towards the end of the 12 month period set for the delivery of all the proposals in order that the Ministerial Strategic Group could collectively demonstrate progress across the country.

It was proposed that the Angus Action Plan would be shared with Angus Council and the Council's Scrutiny and Audit Committee in due course.

The Chief Social Work Officer highlighted that in terms of Proposal 1.2 – Relationships and collaborative working between partners must improve, that her role was as Chief Social Work Officer and was not representing Angus Council as detailed in the Report.

The Integration Joint Board Audit Committee agreed to note the Angus self-evaluation and to request that the Chief Officer bring forward a copy of the improvement plan to the next meeting.

## **12. INTERNAL AUDIT PLAN 2019/20**

With reference to Article 10 of the minute of meeting of 29 August 2018, there was submitted for approval the Annual Internal Plan for Angus IJB for 2019/20.

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

Appendix 1 to the Report detailed the Internal Audit Plan for 2019/20 which also described how the available resources would be utilised during the year. The Appendix to the Report also included a proposed plan designed to target priority issues identified by the Internal Auditors assessment of risk. The proposals also reflected a range of general governance issues and then primarily focused on two areas, Risk Management and Data Quality.

The Chief Internal Auditor provided an overview of the Report.

Having heard from the Chief Officer who provided an update in terms of the AN06-19 Data Quality Audit, the Integration Joint Board Audit Committee agreed:-

- (i) to approve the Internal Audit Plan for 2019/20, attached as Appendix 1 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 that the Chief Finance Officer, in conjunction with Internal Audit, report back as required to the Audit Committee regarding the progress with the Plan.

**13. 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 28 August 2019 at 12 noon in the Committee Room, Town and County Hall, Forfar.