

## **AGENDA ITEM NO 4 (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 28 August 2019 at 12 noon.

**Present: Members of Audit Committee**

Councillor JULIE BELL, Angus Council  
PETER BURKE, Carers Representative (from Item 8 onwards)  
ANDREW JACK, Service User Representative  
KATHRYN LINDSAY, Chief Social Work Officer  
GRAEME MARTIN, Non-Executive Board Member  
CHARLIE SINCLAIR, Associate Nurse Director

**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  
GILLIAN WOOLMAN, Audit Director, Audit Scotland  
TONY GASKIN, Chief Internal Auditor, Fife, Tayside & Forth Valley Audit and Management Services (FTF)  
STEVEN MILL, Service Lead - Finance  
SHEILA PETRIE, Team Leader, Support Services Team – Observer  
Councillor LOIS SPEED – Observer

Councillor Julie Bell, in the Chair

**1. APOLOGIES**

The Committee noted there were no apologies intimated. Peter Burke, Carers Representative had advised that due to a prior appointment he would be in attendance as soon as practical. 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 26 June 2019 was approved as a correct record.

**(b) Audit Committee Action Points**

The action points of this Committee of 26 June 2019 was submitted and noted.

**4. REVIEW OF THE ROLE OF CHIEF FINANCE OFFICER 2018/19**

With reference to Article 7 of the minute of meeting of this Committee of 24 April 2019, there was submitted Report No IJB 43/19 by the Chief Finance Officer updating the Committee following a review of Report No IJB 13/19.

The Report indicated that the IJB Audit Committee Report No IJB13/19 relating to the Review of the Role of Chief Finance Officer (CFO) indicated that the IJB could not positively confirm that a number of aspects of the role of CFO were properly undertaken locally.

Appendix 1 to the Report provided an update on the relevant points and that a number of points that were previously classed as non-compliant had been amended to being “not applicable” and others had been noted as being “partially compliant”.

The Integration Joint Board Audit Committee agreed to note the update provided in the Report.

## **5. 2018/19 AND 2019/20 INTERNAL AUDIT PLAN – PROGRESS REPORT**

With reference to Article 4 of the minute of meeting of this Committee of 26 June 2019, there was submitted Report No IJB 44/19 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 Auditors progress report on both the 2018/19 and 2019/20 Internal Audit Plans, as agreed by the Audit Committee in June 2019. An equivalent report would be produced routinely for all Audit Committee meetings describing progress with the Internal Audit Plans.

The Chief Internal Auditor provided an overview of the Report and highlighted that with the exception of AN05/19 GP Prescribing Audit, the 2018/19 Internal Audit Plan was complete. He confirmed that the GP Prescribing Internal Audit Report had recently been issued in draft format, and considered that the Report had no effect in terms of the governance statement.

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

## **6. 2018/19 ANNUAL REPORT TO INTEGRATION JOINT BOARD**

With reference to Article 5 of the minute of meeting of this Committee of 29 August 2018, there was submitted Report No IJB 45/19 by the Chief Finance Office advising that the Integration Joint Board's Audit Committee would provide an Annual Report to the main Integration Joint Board.

The Report indicated that the 2018/19 Annual Report was due to be considered by the Integration Joint Board at their meeting on 28 August 2019.

Attached as Appendix 1 to the Report was the Angus Integration Joint Board Annual Report 2018/19 which had been drafted by the Chief Finance Officer and reviewed by Councillor Julie Bell, Chair of the Audit Committee.

The Chief Finance Officer provided a brief update to the Report.

The Audit Director, Audit Scotland welcomed the Report highlighting that the Report was informative and comprehensive in its content. She also indicated that the Report would be shared with other audit teams, for their consideration.

The Chief Internal Auditor also commended the detailed Report and thereafter thanked the Chief Finance Officer and other officers for their hard work and contributions.

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

## **7. 2018/19 ANGUS IJB – ASSURANCES FROM PARTNERS**

With reference to Article 6 of the minute of meeting of this Committee of 29 August 2018, there was submitted Report No IJB 46/19 by the Chief Finance Officer advising that in compiling the Integration Joint Board's (IJB) Annual Governance Statement, reference was made to receipt

of assurance from NHS Tayside and Angus Council regarding their governance arrangements; noting that Angus IJB was reliant on both Partners to deliver the IJB's overall aims and objectives. The Report provided an update on those assurances.

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 2018/19 Governance Statement at its June meeting.

Angus Council's Scrutiny and Audit Committee had met and after reviewing information including the Council's Internal Audit Annual Report and draft 2018/19 Governance Statement in June 2019, had proposed to issue a letter to Angus Integration Joint Board confirming the status of Angus Council's governance arrangements for 2018/19 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 20 August 2019 and attached as Appendix 1 to the Report.

It had been agreed with NHS Tayside that their 2018/19 Governance Statement would be shared with Angus IJB as the vehicle providing assurance to Angus IJB. The Governance Statement and NHS Tayside's Annual Accounts were approved by NHS Tayside and this consequently provided the required assurances to Angus IJB regarding arrangements in place within NHS Tayside.

The Integration Joint Board Audit Committee were asked to note the content of NHS Tayside's Governance Statement and the fact that it concluded that corporate governance was operating effectively during 2018/19.

Following a question from the Chair in relation to the NHS Tayside Governance Statement and in response having heard from the Chief Internal Auditor who provided an update and also indicated that to provide further assurances in terms of hosted services, he considered that it would be beneficial to share the 2018/19 Perth and Kinross Internal Audit Report and the Strang Report as issued in May 2019 (interim report), with members in due course. It was agreed to share assurances regarding hosted services between IJBs by sharing Governance statements in future years.

It was also agreed to share the 2018/19 Annual Internal Audit Reports for Dundee and Perth and Kinross IJBs with Audit Committee members for information and, for future years, to extend the process of receiving assurance from Angus Council and NHS Tayside to Dundee and Perth and Kinross IJBs.

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 2018/19 to Angus Council and shared requested documentation with NHS Tayside (NHS Tayside requested a copy of the IJB's Governance Statement);
- (ii) to note the position regarding confirmation of receipt of the assurance from Angus Council; attached as Appendix 1 to the Report;
- (iii) to note the position regarding assurance contained within NHS Tayside's Governance Statements with respect to NHS Tayside; and
- (iv) to note that the status of assurances with respect to NHS Tayside and Angus Council was consistent with the contents of the Integration Joint Board's Governance Statement in the audited Annual Accounts.

## **8. 2018/19 AUDITED ANNUAL ACCOUNTS**

With reference to Article 7 of the minute of meeting of this Committee of 29 August 2018, there was submitted Report No IJB 47/19 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 2019.

The Report indicated that the Integration Joint Board's Audit Committee had considered the IJB's unaudited Annual Accounts at their meeting on 26 June 2019. These accounts were subsequently available for public inspection during July 2019.

The IJB's Annual Accounts had now been audited by the IJB's External Auditor (Audit Scotland) and the IJB had received feedback in the form of the External Auditor's Report, attached as Appendix 2 to the Report; and associated letter attached as Appendix 1 to the Report. The IJB revised Audited Annual Accounts for 2018/19 were attached as Appendix 3 to the Report.

There had been a number of revisions to the IJB's Annual Accounts since the June Audit Committee. These have been points of increased narrative clarification regarding the IJB's financial position (with revisions in the Management Commentary), slight presentational changes and a number of other minor corrections. These changes largely reflected feedback received from External Audit during the audit period.

Gillian Woolman, Audit Director, Audit Scotland provided an overview of the External Auditor's Annual Report and highlighted a number of key areas in relation to the 2018/19 Annual Report and Accounts including, Financial Management and Sustainability and Governance, Transparency and Value for Money.

Following discussion, some members raised points in relation to the Action Plan 2018/19 issues/risks in terms of capacity restricting movement, audit risks and workforce planning.

The Chief Officer and Head of Community Health and Care Services – North provided an update in respect of Workforce Planning. The Audit Director also highlighted, for members information, that the NHS Workforce Planning – Part 2 Publication, prepared by Audit Scotland, was due to be published on 29 August 2019.

The Chief Finance Officer confirmed an update regarding the IJB's Annual Accounts would be shared with the IJB's Board members.

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 2019, 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 December Audit Committee.

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

With reference to Article 5 of the minute of meeting of this Committee of 26 June 2019, there was submitted Report No IJB 48/19 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. On that basis, action status information would not always be perfectly up to date by the date of an Audit Committee.

Following requests for further clarity in the status update information, the table outlined in Section 2 of the Report provided a revised summary of intention of status updates from August 2019 onward. Status updates from previous reports/months had not been revised.

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

The Chief Finance Officer provided a brief overview of the Report, in particular highlighting that progress had been made with some actions, with some being completed, however he indicated that some of the long standing issues were still overdue with a status of either limited progress or not yet started.

Members raised some points in terms of AN06/19 Workforce Optimisation, in particular in relation to the transferability of staff, review of current recruitment process and also the vast differences in apprenticeship salaries being offered by Angus Council and NHS Tayside.

The Chief Social Work Officer and Head of Community Health and Social Care – North highlighted progress being made in raising awareness to influence necessary changes and also in terms of local progress with cross agency recruitment.

The Chief Officer referred to the MSG action plan and highlighted that by working in partnership with others, developments in a number of areas could be made collectively but highlighted the challenges in terms of duplication, separate systems and the requirement to progress.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Report and the progress made to date in terms of delivering the planned responses; and
- (ii) to request confirmation to the December 2019 meeting that the Action Plan produced in response to Internal Audit Report AN06/18 (Governance Mapping) had been fully implemented.

## **10. EXTERNAL REPORTS**

With reference to Article 10 of the minute of meeting of this Committee of 26 June 2019, there was submitted Report No IJB 49/19 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 June 2019 to early August 2019. The Reports listed were:- Social Care Support – Reform; What Should

Primary Care Look Like for the Next Generation; and National Falls and Fractures Prevention Strategy 2019-2024 Draft Consultation.

The Integration Joint Board Audit Committee agreed to note the publication of the Reports, as outlined in Section 2.2 of the Report.

## **11. GOVERNANCE ACTIONS PLAN**

There was submitted Report No IJB 50/19 by the Chief Finance Officer advising that in compiling the Integration Joint Board's Annual Internal Audit Report, the IJB's Internal Auditors noted that previous recommendations regarding Governance Action Plans had not been properly maintained during 2018/19.

Since the inception of the IJB, the IJB had sought to address a series of governance issues. These were flagged up through a variety of sources including, primarily the Annual Internal Audit Report, the IJB's own Governance Statement and External Audit Reports. At times issues could overlap or do evolve over time. As clearly described in the IJB's own Governance Statement, a number of issues that still required to be resolved had been outstanding for some time.

In late 2018/19, the Ministerial Strategic Group's (MSG) review of Integration also resulted in the development of an action plan to address shortcomings, with many of these overlapping with previous recommendations. Specific responses to the MSG report were separately reported to the IJB.

Appendix 1 to the Report listed all actions currently referenced back to the 2018/19 Annual Internal Audit Report, but a number of issues were also referenced in the IJB's Governance Statement or have been referred to in previous Internal Audit Reports.

The action plan would be shared at future IJB Audit Committees and progress to deliver actions could therefore be tracked by the Audit Committee. The Annual Internal Audit Report noted "It is vital that the Audit Committee regularly monitors progress in implementing the MSG Report as well as previously agreed governance actions". The Report was intended to facilitate that.

A number of issues included in the Report were particularly complex and could not be solved by the IJB in isolation, however the IJB would require to be able demonstrate progress to the Audit Committee, and, for example, Internal Audit, over the coming year with these issues.

Following a question from the Chair in terms of Large Hospital Set Aside, the Chief Finance Officer indicated that it had previously been reported that potentially it was not possible to deliver all required changes. In addition, the Chief Officer highlighted that although there had been progress and significant change in Angus, she intimated that Large Hospital Set Aside plans had not been developed and worked on as originally envisaged, and that potentially other methods to implement change may require to be considered.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Governance Actions Plan, attached as an Appendix to the Report; and
- (ii) to request that updates be submitted to all future meetings of the Angus IJB Audit Committee until agreed otherwise.

## **12. INTERNAL AUDIT – GP PRESCRIBING**

The Chief Finance Officer advised that the draft Report in relation to GP Prescribing had been circulated separately by email to Audit Committee members. He indicated that the Report would now be considered further with managers and Internal Audit and that once the Report was finalised and signed off, the Report would be shared with the Audit Committee members, for information, in due course.

**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 11 December 2019 at 12 noon in the Committee Room, Town and County Hall, Forfar.

The Chief Finance Officer highlighted to members that the October development session would take place on 30 October 2019. Time to be confirmed in due course.