

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 11 December 2019 at 11am.

Present: Members of Audit Committee

Councillor JULIE BELL, Angus Council
PETER BURKE, Carers Representative
ANDREW JACK, Service User Representative
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
WENDY SUTHERLAND, Team Leader, Legal and Democratic

Also in Attendance

RACHEL BROWNE, Senior Audit Manager, Audit Scotland
KEVIN LUMSDEN, Manager, Finance Services Support Team
SHEILA PETRIE, Team Leader, Services Support Team – Observer
Councillor LOIS SPEED – Observer

Councillor Julie Bell, in the Chair

1. APOLOGIES

Apologies were intimated on behalf of Kathryn Lindsay, Chief Social Work Officer; Graeme Martin, Non-Executive Board Member; and Tony Gaskin, Chief Internal Auditor, Fife, Tayside and Forth Valley Audit and Management Services (FTF).

2. APPOINTMENT OF CHAIR

The IJB's constitutional arrangements indicated that the IJB's Audit Committee should appoint a Chair and Vice Chair. The Committee already had an agreed Chair and now required to appoint a Vice Chair.

The Carers Representative suggested that the chairing arrangements matched the IJB position and proposed that Graeme Martin, Non-Executive Board member, be appointed as Vice Chair. The Service User Representative seconded that suggestion. In the absence of Graeme Martin, the Chief Finance Officer indicated that he would revert to Graeme and report back to the IJB and IJB Audit Committee in due course.

3. DECLARATIONS OF INTEREST

There were no declarations of interest made.

4. MINUTES INCLUDING ACTION LOG

(a) Previous Meeting

The minute of the previous meeting of 28 August 2019 was approved as a correct record.

(b) Audit Committee Action Points

The action points of this Committee of 28 August 2019 was submitted and noted.

5. INTERNAL AUDIT – GP PRESCRIBING (ANO5/19)

With reference to Article 12 of the minute of meeting of this Committee of 29 August 2018, there was submitted Report No IJB 68/19 by the Chief Finance Officer updating members on the outcome of the Internal Audit report regarding the review of GP Prescribing.

The Report highlighted that the finalised report had not been available for the August IJB Audit Committee, but confirmed that this had been circulated post meeting, for information. Appendix 1 of the Report detailed the outcome of the Internal Audit of GP Prescribing (ANO5/19). The audit report had graded the IJB as being provided with “moderate assurance”, one level below the top grading of “comprehensive assurance”.

Most Internal Audits contained a series of Internal Audit recommendations and related management responses. Three actions were set out in the Appendix to the Report and it was recommended that the associated planned management response be agreed and progress updates be brought back to future Audit Committee meetings.

The Chief Finance Officer referred to the most significant action of the audit, in terms of the recommendation to have more clearly set out SMART objectives and highlighted that some areas of work would be difficult to measure and not suitable for SMART objectives.

The Chair recognised the work involved highlighting that the audit outcome had been better than previously anticipated and that there was learning to be taken from the Report and applied in future.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Internal Audit review of GP Prescribing; and
- (ii) the associated management responses/action and to request an update on progress against actions at future Audit Committee meetings.

6. 2018/19 AND 2019/20 INTERNAL AUDIT PLAN – PROGRESS REPORT

With reference to Article 5 of the minute of meeting of this Committee of 28 August 2019, there was submitted Report No IJB 69/19 by the Chief Finance Officer setting out the 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 closing actions from 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 Integration Joint Board Audit Committee agreed to note the Internal Audit Progress Report.

7. INTERNAL AUDIT REPORTS – FOLLOW UP ACTIONS

With reference to Article 9 of the minute of meeting of this Committee of 28 August 2019, there was submitted Report No IJB 70/19 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 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 previous years 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.

In August 2019 a revised clarification of the “status” indicator was shared with the IJB’s Audit Committee and it was included in the table outlined in Section 2 of the Report.

The Report provided updates in terms of AN06/17 – Performance Management; AN07/18 - Financial Management; AN06/18 - Governance Mapping; AN06/19 - Workforce Optimisation; and AN05/19 GP Prescribing.

The Chief Finance Officer provided an update and referred to AN06/17 Performance Management, AN05/18 – Clinical Care and Professional Governance and AN06/18 Governance Mapping.

The Carers Representative raised questions in terms of AN07/18 Financial Management and AN06/19 Workforce Optimisation. In response, the Chief Finance Officer confirmed there had been significant improvement relating to contracts, and that there continued to be further progress and areas of improvement.

The Chief Officer and the Head of Community Health and Care Services, North provided an update in terms of AN06/19 regarding the salary variances for apprentices within both NHS Tayside and Angus Council highlighting that there was no opportunity locally for the situation to be reviewed given that NHS Tayside required to comply with NHS Circular PCS (AFC) 2016/4. Even with the salary variances, it was highlighted that Angus Council received considerably more applications than NHS Tayside.

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.

8. 2018/19 EXTERNAL ANNUAL AUDIT REPORT – PROGRESS REPORT

With reference to Article 8 of the minute of meeting of this Committee of 29 August 2018, there was submitted Report No IJB 71/19 by the Chief Finance Officer setting out progress towards completion of the External Auditor’s 2018/19 Annual Audit Report Action Plan.

The Report indicated that the August IJB Audit Committee meeting considered the IJB’s External Auditor’s 2018/19 Annual Audit Report. Within that overall report, there were some specific recommendations made with corresponding actions agreed by the IJB’s management. Appendix 1 to the Report provided an update on progress with these actions.

The Chief Finance Officer provided an overview and updated in relation to risk in terms of Financial Sustainability and Capacity Restricting Improvements.

The Chair raised a question in terms of the lack of capacity and in response the Chief Officer advised that the IJB would continue to engage with partners to ensure adequate capacity and improve support provided. She also indicated that there would be further opportunities to work collaboratively.

The Integration Joint Board Audit Committee noted the Annual Audit Report Action Plan update.

9. 2019/20 EXTERNAL AUDIT ANNUAL AUDIT PLAN

With reference to Article 7 of the minute of meeting of this Committee of 10 January 2018, there was submitted Report No IJB 72/19 by the Chief Finance Officer providing members with information regarding the 2019/20 External Audit Annual Audit Plan.

The Report indicated that Angus Integration Joint Board were required to produce a set of Financial Accounts. These Accounts were produced in accordance with updated guidance from IRAG (Integrated Resources Advisory Group) and LASAAC (The Local Authority Scotland Accounts Advisory Group).

The accounts were being produced in accordance with Local Authority accounting principles, so the national position had been determined that the External Audit of the IJB's accounts would be undertaken by the relevant Local Authority's existing External Auditor. For Angus IJB and Angus Council, this was Audit Scotland.

Angus IJB's External Auditor had now produced an Annual Audit Plan for 2019/20, attached as Appendix 1 to the Report. The Audit would be undertaken to meet statutory reporting requirements and timescales as set out in Exhibit 4 of the attached Appendix. In order to meet these timescales, the Audit Committee would require to approve the unaudited accounts on 24 June 2020 and agree the audited accounts on 26 August 2020.

The Senior Audit Manager, Audit Scotland provided a detailed overview of the Report highlighting a number of points as detailed in the key areas of the Report in terms of Risks and planned work and Audit scope and timing. The Audit fee referred to in point 9 of the Report was not yet known but indicated that the final fee may incur a slight increase on last year's fee. She advised that the audit fee would be notified to the Chief Officer in due course.

She also responded to members questions in terms of performance materiality, best value and the annual accounts consolidation date variance to the local authority timeframe.

Following a question from the Chair in relation to supplementary fees, the Senior Audit Manager indicated that she did not anticipate any supplementary fees being levied.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the contents of the External Audit Annual Audit Plan, attached as an Appendix to the Report; and
- (ii) to note that the annual audit fee still required to be confirmed and devolved authority for approval of the annual audit fee and any supplementary fees to the Chief Finance Officer.

At this point in the meeting, the Chief Finance Officer advised that the Chair of the Audit Committee had direct access to both External and Internal auditors.

10. GOVERNANCE ACTIONS PLANS

With reference to Article 11 of the minute of meeting of this Committee of 29 August 2019, there was submitted Report No IJB 73/19 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.

The Report provided the Governance Action Plan for ongoing review by the Audit Committee. The source of actions included the 2018/19 Annual Internal Audit Report and the IJB's Governance Statement.

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 overlapped or evolved 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.

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 had 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 to demonstrate progress to the Audit Committee and, for example, Internal Audit, over the coming year with these issues.

The Chief Finance Officer provided an update in terms of Sections 2.3 and 2.4 of the Report in particular referring to the limited progress that had been made in a number of areas, highlighting that due to the complexity of some issues, these could not be solved by the IJB in isolation. In terms of 2018/19 Annual Internal Audit Report and IJB's Governance Statement he confirmed that work had been undertaken but expressed concern that there had been no significant development.

Following discussion in terms of prioritisation and implications of not addressing the shortcomings as outlined in the Report, the Chief Finance Officer suggested that the IJB be more closely sighted on the current issues, and that a progress report be prepared for consideration to the next IJB meeting in February 2020.

The Carers Representative highlighted that the 2018/19 Annual Internal Audit Report, Reference 2, in terms of the status of the MSG action plan, had previously been approved. He also highlighted a typographical error again in Reference 2, in terms of Standing Orders. The Chief Finance Officers noted these amendments.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Governance Actions Plan, attached as an Appendix to the Report;
- (ii) that an MSG progress report be submitted to the Integration Joint Board in February 2020; also to raise awareness to the IJB of the difficulties experienced in progressing some long standing governance issues; and
- (iii) to request that Governance Action Plan updates be submitted to all future meetings of the Angus IJB Audit Committee until agreed otherwise.

11. CORPORATE STRATEGIC RISK MANAGEMENT ANNUAL REPORT 2018/19

With reference to Article 12 of the minute of meeting of this Committee of 27 June 2018, there was submitted Report No IJB 74/19 by the Chief Officer providing the Committee with a report in relation to Corporate Strategic Risk Management activities which had been undertaken during 2018/19.

The Report indicated that the IJB had an approved Risk Management Policy and Strategy in place. The IJB monitored a series of corporate strategic risks using agreed methodologies. The risks monitored included service, financial, clinical care and professional governance, performance management and workforce.

The aims of the Report was to demonstrate that arrangements for Risk Management were in place. The framework comprised robust governance, strategy, structures, policies and procedures based on sound risk management principles appropriate to integrated working.

Work was ongoing across the three Tayside partnerships to update and enhance risk management arrangements especially in relation to processes for ownership, identification and escalation of risk between the IJB's and their partners. Areas under consideration were outlined in Section 3 of the Report. The IJB's Risk Management Policy and Strategy would require to be revised once new arrangements had been agreed.

Appendix 2 to the Report outlined the Angus Health and Social Care Partnership Corporate Strategic Risk Management Register.

The Head of Community Health and Care Services, North provided a detailed overview of the Report highlighting some key areas including Corporate Strategic Risk Profile, Electronic Risk Management System – DATIX and Adverse Event Data.

In reference to the Corporate Strategic Risk Rating Matrix, she confirmed that the red risks would be reviewed by the risk owners.

In response to a question regarding the three amber risks relating to Prescribing Management, Financial Planning and Insufficient Corporate Support Capacity, the Chief Officer and Chief Finance Officer provided an update.

The Integration Joint Board Audit Committee agreed to note the contents of the Angus Health and Social Care Partnership Corporate Strategic Risk Management Annual Report 2018/19 as outlined in Appendix 1 to the Report.

12. EXTERNAL REPORTS

With reference to Article 10 of the minute of meeting of this Committee of 28 August 2019, there was submitted Report No IJB 75/19 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 August 2019 to November 2019. The Reports listed were:- Interim Report – Inquiry Update and Emergent Key Themes; Quality of Public Audit in Scotland Annual Report 2018/19; NHS Workforce Planning – Part 2; Looking ahead to the Scottish Government Health Budget 2020/21: When is Hospital bad for your health?; and the NHS Tayside 2018/19 Annual Audit Report.

The Chief Officer highlighted that a further report had been published by Audit Scotland in relation to NHS in Scotland 2019 and advised that a link to the Report would be circulated to members in due course.

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

At this point in the meeting, the Chair on behalf of the Audit Committee congratulated the Chief Officer on her new post and thanked her for her valuable work and contributions made to the Angus Health and Social Care Partnership.

The Chief Officer confirmed that she had accepted the role of Chief Officer for Dundee Health and Social Care Partnership and moving forward indicated she considered there would continue to be more opportunities and scope to work together more collaboratively and collectively.

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 22 April 2020 at 12 noon in the Committee Room, Town and County Hall, Forfar.