



**ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD AUDIT COMMITTEE – 24 JUNE 2020
2019/20 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 this report in context of evaluating the internal control environment for 2019/20 and consider any actions to be taken on the issues reported for consideration;
- (ii) Note and approve the audit recommendations and management responses documented within the report; and
- (iii) Request that an update regarding progress with the action plan in response to the 2019 Ministerial Steering Group (MSG) report "Review of Progress with Integration of Health and Social care" is provided to the IJB in August 2020.

2. BACKGROUND

Appendix 1 is Angus IJB's Internal Auditor's 2019/20 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 (separately reported to June IJB Audit Committee).

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 24 - 26 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 2019/20.*
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 2019/20.*
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 reported to the June 2020 Audit Committee.

The Audit Committee are also required to consider any actions required as a result of the issues reported for consideration. There are a number of issues recommended for consideration by the IJB, many reflective of shortcomings documented previously and already captured in the IJB's Governance Action Plan. This includes the following issues: - the clarification of governance arrangements, reviews of corporate support and the development of Large Hospital Set Aside mechanisms. Generally it is recommended that these governance issues are given an increased profile at IJB Board meetings.

It remains 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.

The Internal Audit report also notes that updates have not been provided to the IJB regarding progress with the MSG report action plan. An update should be requested to the IJB Board for August 2020.

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: 2019/20 Annual Internal Audit Report