

FTF Internal Audit Service

Angus IJB Internal Audit Service Annual Internal Audit Report 2019/2020

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Angus Integration Joint Board
External Audit

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Management Responses Received	15 June 2020
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Final Report Issued	16 June 2020

INTRODUCTION AND CONCLUSION

1. The Integrated Resources Advisory Group (IRAG) guidance outlines the responsibility of the Integration Joint Board (the IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of arrangements for risk management, governance and control of the delegated resources.
2. This guidance states that the IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control.
3. Guidance issued in April 2017 requires IJBs to prepare their annual accounts and governance statements in accordance with Local Authority Accounts (Scotland) Regulations 2014. These regulations require an authority to:
 - i) *Be responsible for ensuring that the financial management of the authority is adequate and effective and that the authority has a sound system of internal control which:*
 - (a) *facilitates the effective exercise of the authority's functions; and*
 - (b) *includes arrangements for the management of risk.*
 - ii) *Conduct a review at least once in each financial year of the effectiveness of its system of internal control.*
4. The CIPFA 'Delivering Good Governance' in Local Government Framework 2016 places a responsibility on the authority to ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
5. This review examined the framework in place during the financial year 2019/2020 to provide assurance to the Chief Officer, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the IJB's objectives. It considered:
 - *Corporate Governance*
 - *Clinical Governance*
 - *Staff Governance*
 - *Financial Governance*
 - *Information Governance*
6. The results from this work reported within this 2019/20 Annual Internal Audit Report should inform the IJB's judgment on the Governance Statement.
7. For a number of years, Internal Audit has recommended that accountability and responsibilities of the IJB in respect of all governance arrangements should be clarified and agreed by the IJB, and thereafter flow through to risk management and assurance arrangements. Themes identified have been echoed in reports issued by Audit Scotland as well as in the 2019 Ministerial Steering Group in their report on 'Review of Progress with Integration of Health and Social Care'.
8. The Angus response – self assessment and improvement action plan was reported to the IJB in August 2019 with an annual progress report agreed. Given the critical actions this timescale may not create sufficient impetus and focus on progress. Although the Audit Committee requested an update be provided to the IJB in February 2020, no further

reports have been provided at governance level to date. It had been hoped that the MSG Improvement plan would create the impetus required to create an environment in which significant and rapid progress might be achieved. There has been monitoring and scrutiny of these actions through the Strategic Planning Group with progress as at March 2020 showing around half the actions as overdue

9. Our follow up work showed that four recommendations from our 2018/19 Annual report, many of which were, themselves, reiterations of incomplete high priority actions from previous reports, have now been addressed. We have confirmed that the outstanding actions are included on the Governance Action Plan, which is next due to be reported to the June 2020 meeting of the Audit Committee.
10. We note the impact of Covid-19 on the organisation's priorities and its ability to further progress all of the agreed actions by year end, but would consider that management capacity, the complexity of the issues and reliance on the contribution of partner organisations have been the primary cause of delay.
11. We reiterate the need for the Audit Committee to regularly monitor progress in implementing the actions arising for the MSG report combined with previously agreed governance actions and consider the consequences of any non achievement to the overall control environment. The December 2019 Audit Committee meeting acknowledged that no significant progress had been made and it was agreed to escalate the issue to the IJB. However, whilst there was comment in the risk assessment section of the Finance report, there is no clear evidence of discussion at the IJB nor was any action agreed.
12. We would recommend that a report be prepared for the issue to be reiterated to the IJB, clearly setting out the reasons why these issues have not yet been resolved, the action required to overcome impediments and the implications for governance of failure to implement them on time. There should be evidence of appropriate discussion at the IJB. Reporting like this would be beneficial in future to ensure that any material control weaknesses are highlighted appropriately. If necessary, and for issues involving Partners, escalation should be to the Working Together Forum, where the Chairs, Council Leaders, Chief Executives and Chief Officers from all partner bodies meet.
13. The IJB continues to make good progress strategically, operationally and financially and its governance is characterised by openness and transparency. Review of papers and minutes shows willingness to identify where governance improvements are needed, but as set out above, the ability to implement these is restricted.
14. The previous Chief Officer left the organisation in December 2019 and a special meeting of Angus IJB in January 2020 appointed an Interim Chief Officer pending the appointment of a permanent successor.
15. During the Covid-19 response, IJB meetings continued with the April 2020 meeting being held via video conferencing. Having taken advice from external and internal audit, the Audit Committee planned for April 2020 was deferred to June. The Clinical, Care & Professional Governance Forum for April 2020 was cancelled.
16. At management level, a new forum was set up (Angus Leadership Response Team) with Terms of Reference, Action & Decision Logs. IJB members received a verbal update at the April 2020 meeting on the Covid-19 response, with a full report planned for the June 2020 meeting. Depending on the future development of this situation, consideration may need to be given to how IJB members can be regularly kept informed of the main developments arising, including a focus on clinical and care governance.

17. Whilst this report comments on the governance arrangements in place for 2019/20 which substantively predate the organisation's emergency footing in response to the Covid-19 pandemic, the situation will have a significant impact on future strategy and operation for Angus IJB. The recovery and reconfiguration process will have to include assessment of the impact of the pandemic on the assumptions on which the current Strategic Commissioning Plan is based (demand and resources). This includes identifying changes to service delivery and the risks these may present, as well as identifying potential service redesign in the longer term.
18. Recovery and reconfiguration to deliver organisational objectives will be a key feature over the coming year. Remobilisation activity will, in time, need to be considered against priorities as set out in the Strategic Commissioning Plan.
19. In addition, all supporting strategies will require review to take account of the impact of Covid-19 on population need, resource availability and the impact on modes of delivery as well as the potential for further change, alongside the delivery of transformation which will need to continue to be rapid and genuinely transformative. Any review should ensure that that partner bodies have the ability and will to support the needs of the IJB.
20. Covid-19 will have a considerable impact on the IJB's risk profile and given the ongoing improvement work in this area, there is an opportunity fundamentally to revise both the risk register and Risk Management processes, tying in with the development of assurance mapping to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance.
21. The Angus IJB directs more than half of its services from NHS Tayside but is also in an interdependent relationship with both partner bodies in which the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement concludes that corporate governance continues to be strengthened and was operating effectively throughout the financial year ended 31 March 2020. Angus Council has drafted a Governance Statement for 2019/20 which concludes that that reasonable assurance can be placed upon the adequacy and effectiveness of Angus Council's systems of governance and that the annual review demonstrates compliance with the core principles of good governance. In addition, the Angus Council Annual Internal Audit Report concluded that *'the Council has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money'*.
22. Whilst these statements contain some issues which are of interest to the IJB, neither would give rise to any requirement for consideration in the IJB's Governance Statement. Plans are in place to share information on partner assurances at the August 2020 meeting of the Audit Committee before the audited accounts are signed off.
23. The IJB has produced a draft Governance Statement for 2019/20 which reflects the IJB's own assessment for areas for development, setting out a number of actions to further strengthen governance arrangements. A number of these are outstanding from previous years and have featured in both previous Internal Audit Annual reports as well as the MSG improvement plan.
24. As Chief Internal Auditor, this Annual Internal Audit Report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2019/20.

25. Based on the work undertaken, I have concluded that:

- **Reliance can be placed on the IJBs governance arrangements and systems of internal controls for 2019/20.**

26. In addition, I have not advised management of any concerns around the following:

- **Consistency of the Governance Statement with information that we are aware of from our work;**
- **The format and content of the Governance Statement in relation to the relevant guidance;**
- **The disclosure of all relevant issues.**

ACTION

27. The IJB is asked to note this report in evaluating the internal control environment for 2019/20 and consider any actions to be taken on the issues reported for consideration.

INTERNAL CONTROL

28. Following a meeting of Angus IJB in March 2016, FTF were appointed as the IJB's Internal Audit Service. The Audit Committee has approved the Internal Audit Charter as well as a protocol for the sharing of audit outputs between the partner organisations. We can confirm that FTF complies with the Public Sector Internal Audit Standards (PSIAS).

29. During 2018/19 the NHS Tayside Internal Audit Service was externally quality assessed (EQA) by the Institute of Internal Auditors and concluded that FTF generally conforms to the International Professional Practice Framework (IPPF). An EQA action plan is in place and being monitored through the NHS Tayside Audit & Risk Committee, with 2 actions remaining outstanding. We are in the process of updating our self assessment of the EQA requirements. For Angus Council Internal Audit, an External Quality Assessment (EQA) planned for 2019/20 did not take place due to delays in the national process exacerbated by Covid-19. However, a self-assessment against the CIPFA statement on the role of the Head of Internal Audit was reported to the Angus Council Scrutiny and Audit Committee in November 2019 and concluded that Angus Council Internal Audit complied with the principles. A small number of items were identified for further consideration to improve current practice with the majority of actions now implemented.

30. The 2019/20 internal audit plan was approved by the IJB Audit Committee in June 2019. Whilst there have been some delays due to Covid-19, audit work undertaken in partnership with the Angus Council Internal Audit Service, has been sufficient to allow the Chief Internal Auditor to provide his formal opinion on the adequacy and effectiveness of internal controls.

31. To inform our assessment of the internal control framework, we developed a self assessment governance checklist for completion by management. The checklist was based on requirements of the Integration Scheme, guidance issued by the Scottish Government to support Health and Social Care Integration and best practice. It was also cross referenced to the requirements of the CIPFA 'Delivering Good Governance in Local Government Framework 2016' and supporting guidance notes for Scottish Authorities. Our update of the checklist for 2019/20 focused on the improvement plans developed in response to the February 2019 'Review of Progress with Integration of Health and Social

Care' by the Ministerial Strategic Group for Health and Community Care; the governance response to the Covid-19 pandemic and reference to updated national guidance.

32. Internal Audit validated the assessments reached through discussion with management and examination of the supporting evidence and documentation. Based on our validation work, we can provide assurance on the following key arrangements in place by 31 March 2020; and also comment on where further development is needed in 2020/21. Based on our assessment, we also recommend further issues for consideration by management.
33. As previously reported in our annual internal audit reports for 2017/18 and 2018/19, It is vital that the Audit Committee continues to monitor progress regularly in implementing agreed actions and understands the consequences of any non achievement or slippage in the Governance Action Plan and MSG Improvement Plan in overall context.

Our evaluation of the IJB's Governance Framework is summarised below:

A – Corporate Governance
A1 – Key arrangements in place as at year end 2019/20 as well as planned and ongoing developments
<p>Strategic commissioning plan and performance</p> <ol style="list-style-type: none"> I. The Angus IJB Strategic Commissioning Plan 2019/2022 was approved in April 2019. The minutes of the meeting highlighted that cognisance had been taken of feedback received as well as the link to the Angus IJB Strategic Financial Plan for the same period to show how the plan would be resourced. The IJB also requested regular progress reports. II. The minute of the December 2019 IJB reflects that the Strategic Planning Progress report captured much of the work of the Improvement and Change Group and showed the link to the individual papers presented to the IJB during the year, which all contribute to the achievement / progress towards corporate objectives. III. The Annual Strategic Progress and Performance report provided in June 2019 showed that Angus IJB generally performs similarly or better than the Scottish average in relation to most national core indicators. The main indicator showing red performance relates to the 'Falls admission rate per 1,000 population aged 65+'. Further information in relation to this decline was requested and following an interim update in October 2019, it was confirmed in February 2020 that this was due to changes in coding in the acute sector. IV. The midyear performance report provided to the IJB was in a new format, having been reviewed in consultation with the vice chair. The new format reports trends and showed declining performance in relation to National Indicator 14 - Readmission to hospital within 28 days for adults. The draft Interim Annual Strategic Performance report for 2019/20 to be provided to the IJB in June 2020 shows that Angus IJB is generally on track in relation to the majority of measures reported (14 out of 20). We would recommend that, starting with Indicator 14 in the first instance, where performance falls below agreed parameters a deep dive exercise is undertaken to explore the reasons for the decline and provide a report on causes, remedial action to be taken and the risk implications. The IJB may wish to consider where these reports should best be considered in detail by Board members and how assurance can best be provided to the full Board. <p>Corporate Governance</p> <ol style="list-style-type: none"> V. The Audit Committee met on 4 occasions during 2019/20 and also held a development event held for members looking at the effectiveness of the audit committee and self assessment. We commend good practice including the focus on self evaluation as well as in the follow up of action taken in response to specific internal and external audit recommendations. The Committee is also provided with information on relevant external reports. VI. Revised Standing Orders were approved by the IJB in February 2020; with the main changes being: providing a procedure for the reception of deputation; providing the right of the Chief Officer, Chief Finance Officer and the Board's

external and internal auditors to submit reports to the Board's Audit Committee; providing for the Audit Committee to approve the Board's annual accounts and Governance Statement and increasing the membership of the Audit Committee to 7 members of the Board with a quorum of at least three voting members of that Committee.

- VII. The Audit Committee continues to identify improvements needed in its operation through the use of self assessment and development events. This includes reviewing the terms of reference to widen its remit and following a recent appointment there should now be sufficient capacity to progress this work.
- VIII. An action plan is being progressed to address findings of a governance assessment of HSCP services delivered within Angus Council.

Governance action plan and MSG

- IX. As previously recommended by Internal Audit, a Governance Action Plan to help track a series of governance issues flagged up through a variety of sources was created and reported to the August and December 2019 Audit Committee meetings. It was decided updates should continue to be submitted to all future meetings of the Audit Committee until agreed otherwise. It was acknowledged that no significant progress had been made and it was agreed that the difficulties experienced in progressing some long standing governance issues should be escalated to the IJB. However, whilst there was comment in the risk assessment section of the Finance report at the February 2020 IJB, there is no clear evidence of discussion at the IJB nor was any action agreed. We recommend a more overt, robust process.

Review of Integration Scheme

- X. It was previously discussed that as a review of the Integration Scheme was due in 2020, the themes arising from previous internal audits as well as MSG and Audit Scotland reports in relation to governance and accountability arrangements would be used to feed into this update. Correspondence has now been received from the Scottish Government advising that given the Covid-19 response it does not expect the IJB's Partners to continue work on developing successor schemes.
- XI. The SG advised that *'Health Boards and local authorities should therefore ensure that they jointly carry out the minimum requirement of a review and that this is acknowledged jointly and formally. This review can note anything that requires further work between the partners and set out plans for the completion of that work at a later date, once the current very challenging situation passes, including the production of a successor scheme. Meantime, the current Integration Scheme will remain in force'*. However, we would highlight that there are still a number of key governance issues to be addressed and these will have to be considered this year, together with formalisation of the revised arrangements for Inpatient Mental Health provision.

Directions

- XII. The IJB issued directions for the performance of delegated functions by Angus Council and NHS Tayside for 2019/20. The February 2020 IJB meeting received Updated Guidance on Directions issued by the Scottish Government in January 2020. We previously recommended a clearer link between the Strategic plan

2019-2022, its implementation and the use of directions and that consideration should be given to updating the committee report template to include a heading on directions. A detailed report planned for April 2020 but delayed to June 2020 due to Covid-19 will address this. Consideration should also be given to how clinical and care governance arrangements will feed into the formation of IJB directions.

Risk Management

- XIII. Angus IJB continues to develop its Risk Management arrangements, in line with work ongoing across Tayside partnerships. Internal Audit report AN05/20 on Risk Management assisted management by identifying key areas to be taken forward as part of that process. We would commend the IJB for its progress to date and the priority given to Risk Management. We concluded that the IJB has made good progress and that an adequate risk management framework is in place. The December 2019 Audit Committee received the Corporate Strategic Risk Management Annual report 2018/19 advising that 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. The IJB's Risk Management Policy and Strategy will require to be revised once new arrangements had been agreed.

Best Value

- XIV. Whilst arrangements are not yet sufficiently mature to allow the organisation to conclude definitively on Best Value, a section on Best Value was included in the Angus HSCP's Strategic Progress & Performance Report 2018/9. Management capacity has further delayed planned improvements in this area.

General

- XV. We noted a number of tangible examples where the nature of the relationship between the partner bodies limits the IJB's ability to set strategic direction and effect change.
- XVI. For example, the December 2019 IJB discussed required Learning Disabilities Priority Improvements and noted proposals to deliver technology enabled care which would require significantly enhanced IT support, which is not within the auspices of the IJB.
- XVII. Similarly, the same meeting noted that funding issues associated with complex/shared care packages with NHS Tayside were still unresolved after four years.
- XVIII. In February 2020 the IJB paper 'Review of Care and Support and Residential Fees 2020/21', which was looking at ways to maximise income without detriment to users, noted that formal authority to charge remains with Angus Council, who will need to approve. This is part of a wider pattern of interdependency where authority and accountability are not always vested in the same body.
- XIX. In addition, capacity constraints meant that during 2019/20, no further report on progress on implementation with the Communication, Participation & Engagement Strategy was received. In 2018/19 a lack of capacity to implement further improvements was highlighted. Neither was there any progress report on the Equalities Outcomes Plan for 2018-20 first approved in April 2018 by the

IJB.
B – Clinical Governance, Staff Governance, Financial Governance, Information Governance
Key arrangements in place as at year end 2019/20 as well as planned and ongoing developments
B1 Clinical:
<p>I. The Angus Clinical, Care and Professional Group provided its annual assurance report for 2018/19 to the April 2019 Audit Committee. Due to the impact of the Covid-19 response on management capacity, the equivalent for 2019/20 is not yet available. However, regular meetings took place and review of minutes shows a comprehensive programme of work with regular reports to the NHS Tayside Clinical Quality Forum. Plans are in place to present annual assurance on clinical and care governance to the August 2020 meeting of the Audit Committee before the audited annual accounts are approved.</p> <p>II. The October 2019 IJB received the Chief Social Work Officer's Annual report for 2018/19, detailing some of the main successes within Social Work Services and reporting on a range of performance information including Partnership Working, the Social Services Delivery Landscape, Finance, Service Quality and Performance including delivery of statutory functions; and Workforce. However, the report does not include an overall conclusion on the adequacy and effectiveness of arrangements the quality and safety of care.</p> <p>III. In addition, the Angus Community Justice Partnership Annual Outcome Activity Return for 2018/19, an area of activity monitored by Angus Council Policy & Resources Committee as required by legislation, was presented showing the work in partnership to reduce re-offending.</p> <p>IV. In February 2020, the IJB noted both the Angus Adult Protection Committee and Child Protection Committee Annual reports for 2018 & 2019.</p> <p>V. Arrangements for Clinical and Care assurance are currently being considered by the partner bodies across the NS Tayside area. Whilst these have been delayed due to Covid-19, it is anticipated that these will further enhance the strong arrangements already in place in Angus IJB, provide greater clarity on assurances between bodies and address known weaknesses in relation to assurance on hosted services, most particularly within Inpatient Mental health.</p> <p>VI. Following the publication of the Strang report, the Independent inquiry into Mental Health Services in Tayside, the IJB meeting in February 2020 was informed of the collaborative approach to be taken to address the recommendations. An update on progress is to be a standing agenda item for the IJB.</p>
B2 Staff:
<p>VII. Internal Audit AN06/19 concluded that <i>"There is a workforce plan in place which aligns with existing partner strategies and other IJB plans, however, improvements to monitoring and implementation of the plan are required to enhance the adequacy/effectiveness of risk management, control and</i></p>

<p><i>governance.</i>" The most recent follow up position to the December 2019 Audit Committee showed that all actions are now assessed as complete or superseded.</p> <p>VIII. An updated workforce plan is now planned for the October 2020 IJB meeting, reflecting the delay as a result of Covid-19. It may be that this review will need to be considerably more substantial than originally envisaged as part of the wider requirement to take into account the impact of Covid-19.</p>
<p>B3 Finance:</p>
<p>IX. Each meeting of the IJB receives a Finance report including a risk assessment, savings progress, reserves update, and a forecast outturn position. The IJB is also kept regularly updated on development of the financial plan and the status of budget settlement discussions with the partners. Underlying shortfalls are still predicted and need to be addressed (not just through use of reserves which is a one-off).</p> <p>X. As was the case for 2018/19, the outturn position subject to audit is again an operating surplus of c£4.4M (Compared to c£4m operating surplus for 2018/19).</p> <p>XI. In October 2019, the IJB approved revisions to the Reserves Policy. It was noted it would be good practice to consider the creation of any ear-marked reserves in conjunction with the partners.</p> <p>XII. We were pleased to note that reporting at governance level continues to include a focus on clear links to the financial position of the organisation as well as focus on services as described in the corporate governance section above. Prescribing expenditure, one of the highest risks identified, continues to improve with cost per weighted patient falling, although remains above national average. The IJB also received a report on the impact of demographic change showing the predicted increase (ca £1.2M) in cost for personal care hours even with the mitigation measures currently in place.</p> <p>XIII. We welcome the continued emphasis to build a sustainable financial position and looking into the future. Even with the favourable results of the last 2 financial years, a number of high risks remain as described above and, in addition, the impact of Covid-19 on the financial position is currently unknown but is likely to lead to considerable difficulty in achieving planned savings.</p>
<p>B4 Information Governance:</p>
<p>XIV. Angus IJB approved a Records Management Plan and Records Management Policy in February 2019. In line with the Scottish Information Sharing Toolkit, an IJB Information Sharing Memorandum of Understanding and Supplementary Memorandum of Understanding are in place.</p> <p>XV. In June 2019, the IJB approved the Information Governance Strategy 2019/22 and Supporting Policies (information security, data protection and access to information). The IJB now needs to implement records management plan over the next 3 years and a further report is to come when negotiations on resources for implementation with partners have concluded. Again, the Strategy will require to be reviewed in light of Covid-19.</p>

ACKNOWLEDGEMENT

34. On behalf of the Internal Audit Service I would like to take this opportunity to thank the Chief Officer and Chief Finance Officer of the IJB as well as staff within the partnership for the help and co-operation extended to Internal Audit throughout the year.

A GASKIN, BSc. ACA
Chief Internal Auditor

Action Point Reference 1

Finding:

Given the constraints on management capacity and the clear priority that has to be given to operational management to respond to the Covid-19 pandemic, we have not reiterated the areas outstanding but expect these to continue to feature in the IJB's Governance statement as areas identified for improvement. We would however; again stress the need for the Audit Committee to regularly monitor progress in implementing the actions arising for the MSG report combined with previously agreed governance actions and consider the consequences of any non achievement to the overall control environment.

The December 2019 Audit Committee meeting acknowledged that no significant progress had been made and it was agreed to escalate the issue to the IJB. However, whilst there was comment in the risk assessment section of the February 2020 Finance report, there is no clear evidence of discussion at the IJB nor was any action agreed.


Correspondence has now been received from the Scottish Government advising that given the Covid-19 response it does not expect IJBs to continue work on developing successor Integration Schemes. This update work had been intended to address a number of key governance issues which still require to be resolved.

Audit Recommendation:

We would recommend that a report be prepared for the issue to be reiterated to the IJB, clearly setting out the reasons why these issues have not yet been resolved, the action required to overcome impediments and the implications for governance of failure to implement them on time. There should be evidence of appropriate discussion at the IJB. Reporting like this would be beneficial in future to ensure that any material control weaknesses are highlighted appropriately. If necessary, and for issues involving Partners, escalation should be to the Working Together Forum, where the Chairs, Council Leaders, Chief Executives and Chief Officers from all partner bodies meet.

Assessment of Risk:


Our assessment of the above finding is as follows:

Significant		<p>Weaknesses in control or design in some areas of established controls.</p> <p>Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>
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Management Response/Action:

The IJB Audit Committee will continue to monitor governance actions. We have already agreed to take 4-monthly updates to the IJB regarding significant outstanding governance actions. We will include in those updates further information regarding governance implications and further steps including escalation. We will make these the subject of specific recommendations within reports to the IJB.

Action by:	Date of expected completion:
Chief Officer	31 August 2020 (For Reporting to IJB)

Action Point Reference 2	
Finding:	
<p>In line with our previous recommendations, the Audit Committee provided a year end report to the IJB in August 2019 which provided a conclusion that it has fulfilled its remit and was able to confirm that issues under consideration can be relied on with reasonable assurance.</p> <p>The Internal Audit Annual report, draft Governance Statement alongside assurances to the partner organisations and the unaudited annual accounts were all discussed in June 2019 by the Audit Committee.</p> <p>The Angus Clinical, Care and Professional Group provided its annual assurance report for 2018/19 to the April 2019 Audit Committee. Due to the cancellation of the April 2020 meeting of this group and COVID-19 related workflow issues, the equivalent for 2019/20 is not yet available. However, regular meetings took place and review of minutes shows a comprehensive programme of work with regular reports to the NHS Tayside Clinical Quality Forum.</p>	
Audit Recommendation:	
<p>Overt assurance will be needed at year end on clinical and care governance arrangements 2019/20 for Angus IJB to allow the Audit Committee in turn to conclude in its annual report.</p> <p>In future years, the timing for annual reports should be coordinated for yearend assurance processes.</p>	
Assessment of Risk:	
Our assessment of the above finding is as follows:	
Merits attention	 <p>There are generally areas of good practice.</p> <p>Action may be advised to enhance control or improve operational efficiency.</p>
Management Response/Action:	
<p>The IJB's Annual Work plan indicates these reports will, in future, be available to June Audit Committees. For 2019/20 only, due to COVID-19 related issues, this is deferred to August 2020, but reports will be made available to Auditors and Audit Committee members in advance of the August Audit Committee.</p>	
Action by:	Date of expected completion:
Chief Officer	31 August 2020

Action Point Reference 3**Finding:**

We noted a number of tangible examples where the nature of the relationship between the partner bodies limits the IJB's ability to set strategic direction and effect change.

For example, the December 2019 IJB discussed required Learning Disabilities Priority Improvements and noted proposals to deliver technology enabled care which would require significantly enhanced IT support, which is not within the auspices of the IJB.

Similarly the same meeting notes that funding issues associated with complex/shared care packages with NHS Tayside were still unresolved after four years.

In February 2020 the IJB paper 'Review of Care and Support and Residential Fees 2020/21', which was looking at ways to maximise income without detriment to users, noted that formal authority to charge remains with Angus Council, who will need to approve. This is part of a wider pattern of interdependency where authority and accountability are not always vested in the same body.

In addition, capacity constraints meant that during 2019/20, no further report on progress on implementation with the Communication, Participation & Engagement Strategy was received. In 2018/19 a lack of capacity to implement further improvements was highlighted. Neither was there any progress report on the Equalities Outcomes Plan for 2018-20 first approved in April 2018 by the IJB.

Audit Recommendation:

The Governance action plan should be reviewed alongside other improvement plans to ensure activity is focused on the areas of highest importance which can be most realistically delivered within available resources and management capacity.

As recommended under Action point 1 above, issues should be escalated to the Working Together forum, where the Chairs, Council Leaders, Chief Executives and Chief Officers from all partner bodies meet.




The COVID-19 recovery and reconfiguration process will have to include assessment of the impact of the pandemic on the assumptions on which the current Strategic Commissioning Plan is based (demand and resources). In addition, all supporting strategies will require review to take account of the impact of Covid-19 on population need, resource availability and the impact on modes of delivery as well as the potential for further change, alongside the delivery of transformation which will need to continue to be rapid and genuinely transformative. Any review should ensure that that partner bodies have the ability and will to support the needs of the IJB.

The Internal Audit plan to be presented to the Audit Committee in August 2020 will build in audit resources to review the COVID-19 recovery and reconfiguration process.

Assessment of Risk:	
Our assessment of the above finding is as follows:	
Significant	 <p>Weaknesses in control or design in some areas of established controls.</p> <p>Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>
Management Response/Action:	
<p>The IJB will continue to review its Governance Action Plan. In addition, and as a response to COVID-19, the IJB will In due course review its Strategic Commissioning Plan and underlying assumptions and note this may result in significant revisions to the overall plan, supporting documents and the IJB’s Risk Register with a likely focus on recovery, reconfiguration and transformation to meet revised population needs, resources and ways of working.</p>	
Action by:	Date of expected completion:
Chief Officer	<p>Expected by 31 December 2020,</p> <p>However a full review of the Strategic Plan to reflect COVID-19 depends on a clearer and more definitive understanding of the long term impact of COVID-19.</p>

Assessment of Risk

To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:

Risk Assessment	Definition	Total
Fundamental	 <p>Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met.</p>	None
Significant	 <p>Weaknesses in control or design in some areas of established controls. Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>	Two
Merits attention	 <p>There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.</p>	One