

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

MINUTE of MEETING of the **ANGUS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** held remotely on Wednesday 24 June 2020 at 11am.

**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

**Advisory Officers**

SANDY BERRY, Chief Finance Officer  
GAIL SMITH, Interim Chief Officer  
DAVID THOMPSON, Manager, Legal Team 1, Legal and Democratic  
JILLIAN GALLOWAY, Interim Head of Community Health and Care Services – North

**Also in Attendance**

RACHEL BROWNE, Senior Audit Manager, Audit Scotland  
TONY GASKIN, Chief Internal Auditor, Fife, Tayside and Forth Valley Audit and Management Services (FTF)  
SHEILA McGRADY, Team Leader, Services Support Team – Observer  
EMMA SYMON, Trainee Auditor, Audit Scotland - Observer

Councillor Julie Bell, in the Chair

*The Chair welcomed all those present to the remote meeting. On behalf of the Committee, she acknowledged and conveyed gratitude to all staff, carers, unpaid carers and third sector organisations in their delivery of health and care services across Angus during these difficult times. In emphasising the responses from services and all the hard work and achievements by all, she intimated that she was proud to be part of the IJB and sincerely thanked all those involved. The Service User Representative echoed the Chair's sentiments.*

**1.       APOLOGIES**

Apologies were intimated on behalf of Graeme Martin, Non-Executive Board Member and Charlie Sinclair, Associate Nurse Director, both NHS Tayside.

**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 11 December 2019 was approved as a correct record.

With reference to Article 2 of the minute of meeting of 11 December 2019, and having heard from the Carers Representative, the Chair confirmed that following a previous discussion with the Chief Finance Officer, and noting the expression of interest received, that the Service User Representative had agreed to be appointed as Vice Chair to the IJB Audit Committee.

The Integration Joint Board Audit Committee thereafter agreed to note the appointment of the Service User Representative as Vice-Chair to the Integration Joint Board Audit Committee.

**(b) Audit Committee Action Points**

The action points of this Committee of 11 December 2019 was submitted. The Chief Finance Officer indicated that in terms of the red action points - Item 10 of the 11 December 2019 meeting and Item 7 of the 28 August 2019 meeting, that these actions were being dealt with on today's agenda and were therefore now resolved.

The Chair thereafter referred to the red action point Item 7 of the 12 December 2018 meeting highlighted that this action point could be deleted, pending the appointment of a permanent Chief Officer to the post and that this could be reviewed at a more suitable and convenient time, in future.

The Integration Joint Board Audit Committee agreed to note the updated position.

**4. AUDIT SCOTLAND UPDATE**

The Senior Auditor, Audit Scotland provided a brief update to members on the impact that Covid-19 had on the audit role and potential effect on the Integration Joint Board audit. She indicated that NHS audits had been delayed by a month but still expected that the IJB accounts would be on time and ready for the end of August. She indicated that it was likely that Audit Scotland's appointment as auditor would be extended by another year.

**5. INTERNAL AUDIT CHARTER**

With reference to Article 5 of the minute of meeting of this Committee of 19 April 2017, there was submitted Report No IJB 27/20 by the Chief Finance Officer to provide members with the opportunity to review the Internal Audit Charter for Angus Integration Joint Board.

The Report indicated that the Internal Audit Charter was approved in April 2017 and had been drafted in line with the requirements of the Public Sector Internal Audit Standards applicable to both Health and Local Authority Internal Audit services. In addition to reviewing and approving the updated Charter, it was recommended that the Charter be reviewed annually at the point of approval of the Annual Internal Audit Plan from 2021/22 to ensure it remained up to date.

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

- (i) to approve the proposed update of the Internal Audit Charter; and
- (ii) that in future, the Internal Audit Charter would be re-approved as part of the approval of the Integration Joint Board's Annual Internal Audit Plan.

**6. 2019/20 INTERNAL AUDIT PLAN – PROGRESS UPDATE**

With reference to Article 6 of the minute of meeting of this Committee of 11 December 2019, there was submitted Report No IJB 28/20 by the Chief Finance Officer briefing members on the substantive completion of the 2019/20 internal audit plan and work in progress relating to 2020/21.

Appendix to the Report outlined the Internal Audit's progress report regarding the 2019/20 Internal Audit Plan, as agreed by the Audit Committee in June 2019. The 2019/20 Internal Audit Plan was now substantially completed. Progress update on the Risk Management (AN05/20) and Data Quality (AN06/20) Audits were outlined in Section 2 of the Report.

As set out in the Audit Committee's Annual Work Plan for 2020/21, the Internal Audit Plan for 2020/21 had not been produced. Covid-19 will have a substantial impact on the risk profile of

the organisation and would require a review of the Strategic Commissioning Plan, and its underlying assumptions and this may result in significant revisions to the IJB Strategic Commissioning Plan, including supporting documents and the strategic risk register.

As timescales for recovery and then reconfiguration phases are unknown, it was proposed that a flexible Internal Audit Plan would be submitted to this Committee in August 2020.

The Chief Internal Auditor provided an update in terms of the Data Quality Audit.

In response to a question from the Carers Representative, the Chief Finance Officer provided an update in terms of the impact of Covid-19 and the potential for a review of the Strategic Commissioning Plan.

Having heard from the Chair, the Integration Joint Board Audit Committee agreed to note the substantive completion of the 2019/20 internal audit plan and the internal audit work undertaken relating to 2020/21.

## **7. INTERNAL AUDIT – RISK MANAGEMENT**

With reference to Article 6 of the minute of meeting of this Committee of 11 December 2019, there was submitted Report IJB 29/20 by the Chief Finance Officer updating members on the outcomes of the Internal Audit report regarding the review of Risk Management.

The Report indicated that the Integration Joint Board 2017/18 Annual Internal Audit plan originally included a review of Risk Management and following a review, was confirmed as a priority for the 2019/20 Internal Audit Plan.

Appendix to the Report outlined the outcome of the Internal Audit of Risk Management (AN05/20). The review was intended to assist management by identifying key areas to be taken forward as part of that process and therefore no audit opinion was expressed. However, the Chief Internal Auditor commended the IJB for the progress to date and the priority given to Risk Management, concluding that the Integration Joint Board had made good progress and that an adequate risk management framework was in place.

The Chief Internal Auditor provided an overview of the Report which he viewed as being a very positive report and having heard from the Interim Chief Officer, the Integration Joint Board Audit Committee agreed:-

- (i) to note the Internal Audit review of Risk Management, as outlined in the Appendix to the Report;
- (ii) the associated draft management response/action and requested an update on progress against actions at future Audit Committee meetings; and
- (iii) there being no further amendments to the final version of the Report, it now became the working document going forward.

## **8. INTERNAL AUDIT REPORT – FOLLOW UP ACTIONS**

With reference to Article 7 of the minute of meeting of this Committee of 11 December 2019, there was submitted Report No IJB 30/20 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.

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 AN07/18 - Financial Management and AN05/19 GP Prescribing.

The Team Manager, Legal Team 1 responded to questions from some members and also the Chief Internal Auditor in relation to the lack of progress in resolving the outstanding recommendation 1 of the AN07/18 Financial Management Internal Audit Report.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Report and the progress made to date in terms of delivering the planned response; and
- (ii) that in noting the lack of progress with AN07/18 Financial Management recommendation 1, to request the Interim Chief Officer to write to the Chief Executives of both Angus Council and NHS Tayside to facilitate the expedition of the outstanding audit recommendation.

## **9. GOVERNANCE ACTIONS PLAN**

With reference to Article 10 of the minute of meeting of this Committee of 11 December 2019, there was submitted Report No IJB 31/20 by the Chief Finance Officer providing a Governance Action Plan for ongoing review by the Audit Committee.

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 Statements 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 2018/19 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 would continue to 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. The significant governance issues were highlighted to the Integration Joint Board in February 2020. At the end of 2019/20, the IJB’s Internal Auditors reiterated again, the importance of the IJB understanding the outstanding governance issues and the importance of ensure progress be made towards resolving those issues.

A number of issues included in the Report were particularly complex and could not be solved by the IJB in isolation, however progress would need to be demonstrated to the Audit Committee and, for example, Internal Audit, over the coming year with these issues. Also highlighted was the shortcomings in corporate support that could undermine the IJB’s ability to progress some of the governance issues at the required pace.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Governance Actions Plan as appended to the Report;
- (ii) to request that an update regarding the Ministerial Steering Group action plan be submitted to the August Integration Joint Board; and

- (iii) to request that Governance Action Plan updates be submitted to all future meetings of this Committee until agreed otherwise.

## **10. REVIEW OF THE ROLE OF CHIEF FINANCE OFFICER 2019/20**

With reference to Article 7 of the minute of meeting of this Committee of 24 April 2019, there was submitted Report No IJB 32/20 by the Chief Finance Officer briefing members regarding the outcomes of the 2019/20 self-assessment of the role of the Chief Finance Officer within Angus IJB against the principles set out in CIPFA's "The Role of the Chief Finance Officer in Local Government".

The Report indicated that in 2016/17 a detailed self-assessment was undertaken, Report IJB No 41/17 refers. Subsequent reviews were undertaken of areas that had initially been noted as weaknesses. Due to the current working constraints, the Report focused on areas where Angus Integration Joint Board were not compliant or only partly compliant with the principles.

By the end of 2018/19, the Integration Joint Board was regarding itself as generally and increasingly compliant against all issues. There were also a number of areas where, although the IJB had taken steps towards meeting these requirements, the IJB was not yet, fully compliant.

Appendix to the Report summarised the areas where the IJB was still not compliant or only partially compliant. Some of the issues would be taken forward through other channels.

The Chair referred to the lack of progress between the IJB and Angus Council in terms of Principle 4 (a) Governance requirement (ii) following agreement reached with NHS Tayside to devolve accountability for Finance staff to Tayside IJB Chief Finance Officers.

Having heard from the Chief Internal Auditor with regard to the duty of the statutory authorities to ensure the provision of adequate support to the Section 95 Officer and following discussion the Integration Joint Board Audit Committee agreed:-

- (i) to note the main points from the 2019/20 self-assessment of the role of the Chief Finance Officer in Angus Integration Joint Board;
- (ii) to note that the Integration Joint Board was generally compliant with the principles set out in the Review;
- (iii) to request the Chief Finance Officer to progress as a priority, Principle 4 (a) Governance requirement (ii) as outlined in the Appendix to the Report;
- (iv) to note that a small number of residual issues were being progressed through other existing channels;
- (v) that the Chief Finance Officer should review improved financial management training was available for all managers within the Integration Joint Board; and
- (vi) to note that the self-assessment had been shared with the Integration Joint Board's Internal Auditors and that their view was that the self-assessment was consistent with their knowledge of Angus Integration Joint Board and information reviewed as part of their Annual Audit report.

## **11. 2019/20 ANNUAL INTERNAL AUDIT REPORT**

With reference to Article 7 of the minute of meeting of this Committee of 26 June 2019, there was submitted Report No IJB 33/20 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 2019/20 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 35/20 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 and already captured in the IJB's Governance Action Plan. These issues included the clarification of governance arrangements, reviews of corporate support and the development of Large Hospital Set Aside mechanisms. It was recommended that these governance issues be given an increased profile at IJB meetings.

The Chief Internal Auditor provided a brief summary of the key areas of the Report and intimated that from an audit opinion, he considered that this was a very positive report.

The Interim Chief Officer thanked the Chief Internal Auditor for an extremely positive Report and thereafter commended the work of the team.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Annual Internal Audit Report in evaluating the internal control environment for 2019/20 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 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" be provided to the Integration Joint Board in August 2020.

## **12. 2019/20 ANGUS INTEGRATION JOINT BOARD ANNUAL GOVERNANCE STATEMENT**

With reference to Article 8 of the minute of meeting of this Committee of 26 June 2019, there was submitted Report No IJB 34/20 by the Chief Finance Officer setting out the Integration Joint Board's (IJB) draft Annual Governance Statement for financial year 2019/20. If approved, the Annual Governance Statement would then be formally included in the IJB's 2019/20 Annual Accounts.

The Report indicated that on an annual basis the Integration Joint Board had to include an Annual 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 Annual Governance Statement acknowledged that a number of issues for development in 2020/21 had previously been documents in previous years. 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. Updates would be provided on these long-standing matters to every second IJB meeting.

The Chief Finance Officer provided an overview of the Report.

The Integration Joint Board Audit Committee agreed:-

- (i) to note and approve the Integration Joint Board's 2019/20 Annual Governance Statement; and
- (ii) to authorise the Chair of the Integration Joint Board's Audit Committee to write to Angus Council, NHS Tayside, Dundee Integration Joint Board and Perth and Kinross Integration Joint Board confirming the adequacy and effectiveness of the governance arrangement within Angus Integration Joint Board for 2019/20, including sharing the latest version of the Annual Governance Statement.

### **13. UNAUDITED ANNUAL ACCOUNTS – 2019/20**

With reference to Article 9 of the minute of meeting of this Committee of 26 June 2019, there was submitted Report No IJB 35/20 by the Chief Finance Officer setting out the Integration Joint Board's unaudited annual accounts for financial year 2019/20.

The Report indicated that as a formally constituted body, the IJB was required to produce a set of formal Annual Accounts. The Accounts had 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 Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. CIPFA Bulletin 05 (April 2020) also provided guidance as to how to reflect the impact of Covid-19 in annual accounts, with the major impact for Angus IJB being to ensure that the impact of Covid-19 was adequately reflected. The draft accounts were intended to address the issue proportionately.

Attached as Appendix 1 to the Report were the Integration Joint Board's Unaudited Annual Accounts for 2019/20.

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, noting that the Management of Risks Section of the Management Commentary was still under consideration at the time of the submission of the Report.

The Chief Finance Office provided an update to the Report.

Following discussion and having heard from the Chair in relation to Note 9 – Reserves, the Chief Finance Officer provided an update and highlighted that there would be further clarify from the Scottish Government at the end of the first quarter, in relation to reserves.

The Senior Audit Manager, Audit Scotland also highlighted that a full audit of the IJB's accounts would be undertaken for 2019/20.

The Chair thereafter commended the significant work of the team.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the background regarding compilation of the Integration Joint Board's 2019/20 Unaudited Annual Accounts; and
- (ii) to confirm the submission of the unaudited Annual Accounts to the Integration Joint Board's External Auditors.

### **14. EXTERNAL REPORTS**

With reference to Article 12 of the minute of meeting of this Committee of 11 December 2019, there was submitted Report No IJB 36/20 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. Previously Audit Scotland 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 December 2019 to May 2020. The Reports listed were:- NHS in Scotland; Final Report of the Independent Enquiry into Mental Health Services in Tayside; Covid-19 – What it means for Public Audit in Scotland; and reference to the Scottish Government updated published on their website since March 2020 onwards.

Having heard from the Chief Internal Auditor and in response having heard from the Chair, the Integration Joint Board Audit Committee agreed to note the publication of the Reports, as outlined in Section 2.2 of the Report.

#### **15. AUDIT COMMITTEE – ANNUAL WORK PLAN 2020/21**

With reference to Article 10 of the minute of meeting of this Committee of 24 April 2019, there was submitted Report No IJB 37/20 by the Chief Finance Officer updating members in terms of the Audit Committee's Annual Work Plan for 2020/21.

The Report indicated that there was a pattern of activity within the Audit Committee reflecting the agreed Terms of Reference for the Committee. Appendix 1 to the Report summarised the Audit Committee's Annual Work Plan and acted as a guide to future business.

For 2020/21 only, there had been some disruption to timescales due to Covid-19 responses, including the cancellation of the April Integration Joint Board Audit Committee and the consequences of that and the delay in reporting as detailed in Section 2 of the Report.

The Chief Finance Officer provided a brief overview of the Report.

The Service User Representative highlighted that the Angus IJB Audit Committee Annual Report had been omitted from the annual workplan. In response, the Chief Finance Officer confirmed that the Angus IJB Audit Committee Annual Report would be reported to the next Integration Joint Board in August 2020.

The Integration Joint Board Audit Committee agreed to note the Audit Committee Annual Work Plan for 2020/21.

#### **16. ANNUAL ASSURANCE REPORT – CLINICAL, CARE AND PROFESSIONAL GOVERNANCE FORUM**

With reference to Article 11 of the minute of meeting of this Committee of 24 April 2019, there was submitted Report No IJB 38/20 by the Chief Finance Officer providing members with the Annual Assurance Report from the Clinical, Care and Professional Governance Forum.

The Report indicated that the Internal Audit Report AN05/18 "Clinical Care and Professional Governance" noted that the local Clinical, Care and Professional Governance Forum submitted an annual report to either the Audit Committee.

Appendix 1 to the Report outlined the Annual Assurance Report for the period 1 April 2019 to 31 March 2020.

The Interim Head of Community Health and Care Services – North provided an update and highlighted the opportunity to continue to build and learn from complaints and incidents going forward. Having heard from the Chief Finance Officer, it was agreed that he would further discuss this development with the Interim Head of Community Health and Care Services – North and the Clinical Director.



The Chief Social Work Officer reiterated again that she was not a full member of the Clinical Care and Professional Governance forum and requested that her details be removed from the membership and attendance list.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Annual Assurance Report from the Clinical, Care and Professional Governance Forum; and
- (ii) that the Interim Chief Officer would put forward the Report to the next meeting of the Integration Joint Board.

#### **17. 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 remotely on Wednesday 26 August 2020 at 12 noon.