



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD – 26 AUGUST 2020

ANGUS IJB AUDIT COMMITTEE ANNUAL REPORT 2019/20

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

This report is the third Annual Report provided by the Angus IJB Audit Committee to the Angus IJB. It summarises the work of the Audit Committee during the year 2019/20.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) notes the Annual Report of the Audit Committee for the year 2019/20; and
- (ii) acknowledges the input provided to the Audit Committee from Audit Committee members, and those supporting the Audit Committee.

2. BACKGROUND

Previously it has been agreed that on an annual basis the Audit Committee will provide an Annual Report to the main IJB Board. This annual report will provide a retrospective view of the work undertaken in the year 2019/20.

At the inception of the IJB, and as per report 32/16 (March 2016), the IJB agreed to create a separate Audit Committee with an agreed remit. The constitutional arrangements for the Audit Committee were reviewed in February 2020 by the IJB itself in report 3/20. The Audit Committee has met regularly as agreed since 2016 with minutes of the Audit Committee shared with the main IJB Board.

The remit of the Audit Committee is described in the following extract from report 3/20:-

“...the remit of the Audit Committee shall be:-

- (i) to agree the Internal Audit Plan for the Integration Joint Board (without further reference to the Integration Joint Board);*
- (ii) to consider the terms of any external or internal Inspections, assessments or audits of the Integration Joint Board with a view to making recommendations to the Integration Joint Board in respect thereof (excepting therefrom external or internal inspections, assessments or audits in respect of clinical and/or care governance); and*
- (iii) to scrutinise and approve the annual accounts and Governance Statements”.*

The IJB’s Audit Committee has previously discussed broadening the remit of the Audit Committee. However, to date it has been recognised that the capacity constraints that exist around the Audit Committee do not currently support a revision to the Audit Committee remit. This will therefore be revisited in due course alongside the wider governance arrangements of the IJB.

The 2019/20 constitutional arrangements for the Audit Committee, as reviewed at the IJB in February 2020 (report 3/20) are included at appendix 1.

Much of the work of the Audit Committee is influenced by the remit of the Audit Committee with an obvious example being work associated with the IJB's Annual Accounts. This example also highlights that the Audit Committee's annual cycle does not evolve around the traditional reporting year (i.e. ending 31st March) but runs behind that by a number of months as the previous year's reviews / reports are concluded after 31st March of any reporting year.

This report describes the issues covered by the Audit Committee in the 12 months to June 2020. It also notes issues that will be discussed at the August 2020 Audit Committee (scheduled for 26th August 2020) where these reflect 2019/20 issues.

3. REPORTS CONSIDERED BY THE IJB AUDIT COMMITTEE – YEAR TO JUNE 2020

3.1 The IJB's Audit Committee currently is scheduled to meet 4 times per annum. This pattern has been in place since the inception of the Committee and was intended to balance the commitments of the members of the Committee and the timeline and breadth of the Audit Committee's remits. Due to COVID-19 issues, the April 2020 meeting was cancelled. The intention was that all work would be deferred to the June 2020 meeting and this is reflected below.

Over the period from June 2019 to June 2020, with this period being longer than 1 year to show more than 1 reporting cycle), the Committee considered the following issues:-

Report	June 2019	August 2019	December 2019	June 2020
Regular Items				
Audit Committee Action Points	✓	✓	✓	✓
Consideration of External Reports	✓	✓	✓	✓
Governance Actions Plan		✓	✓	✓
Items related to Year End Assurances and Accounts				
Review of Role of Chief Finance Officer		✓ (18/19)		✓ (19/20)
IJB Governance Statement	✓ (18/19)			✓ (19/20)
Assurances Received From Partners		✓ (18/19)		
IJB Unaudited Annual Accounts	✓ (18/19)			✓ (19/20)
External Audit Plan			✓ (19/20)	
Audited Annual Accounts (including External Audit Annual Report)		✓ (18/19)		
External Audit Annual Report – Review of Actions			✓ (18/19)	
Internal Audit				
Internal Audit Charter				✓
Annual Internal Audit Plan	✓ (19/20)			
Annual Internal Audit Plan – Progress Report	✓	✓	✓	✓
Internal Audit – Follow Up Actions	✓	✓	✓	✓
Annual Internal Audit Report	✓ (18/19)			✓ (19/20)
Internal Audit – GP Prescribing		✓	✓	
Internal Audit – Risk Management				✓
Annual Items				
Audit Committee Annual Work Plan				✓ (20/21)
Annual Corporate Strategic Risk Register			✓ (18/19)	
Annual Assurance Report – Clinical, Care and Professional Governance				✓ (19/20)
Annual Audit Committee Report to IJB		✓		
One-Off Items				
Appointment of Vice Chair			✓	
Audit Scotland Update (COVID-19)				✓
Governance Update for Services Delivered Within Angus Council	✓			
Ministerial Strategic Group – Review of Progress of Integration of Health and Social Care	✓			

It can be seen that over a period of more than 1 year, a number of annual activities do re-occur. On that basis a number of issues considered in August 2019 will be on the IJB's Audit Committee

agenda for August 2020 (including Assurances Received From Partners, External Audit Annual Report and Audited Accounts).

From the above it can be seen activity includes:-

- 1) Regular items including, an "Action Point" Update;
- 2) Items related to Year End Assurances and Accounts – this includes work towards the approval of the IJB's Annual Accounts;
- 3) Items relating to Internal Audit – including plans, reports and follow up action reports;
- 4) Annual Items;
- 5) One-off items.

The IJB Audit Committee is also committed to at least one annual development session for Audit Committee members. In 2019/20 this took place in October 2019 and is scheduled to be repeated in October 2020.

The IJB does have a number of long standing governance improvement actions. These were highlighted by the Audit Committee to the IJB in February 2020 (report 4/20). The IJB's Internal Auditors have indicated that they believe the IJB should remain sighted on these issues and the progress with them. They include:-

- Development of large hospital set aside arrangements with NHS Tayside.
- Development of improved hosted services arrangements with neighbouring IJBs.
- Review of Corporate Support arrangements with Partners.
- Review of the IJB's overall governance framework.

In June 2020, the Audit Committee approved the IJB's Governance Statement for 2019/20. This concluded that:-

"While there remain a number of challenging areas of governance, it is the opinion of the IJB Chairperson and Chief Officer that at 31 March 2020, reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements. We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact. Additionally, systems are in place to regularly review and improve the internal control environment."

Taking this into account alongside the breadth of reports considered during the year, the IJB's Audit Committee concludes that it has fulfilled its remit and, as noted above, reasonable assurance can be placed on the adequacy and effectiveness of the IJB's governance arrangements.

Looking forward, the IJB's Audit Committee will continue to fulfil its current remit and consider reviewing that remit in due course. The Committee will also look to fill all vacancies in membership and support Committee members with appropriate training opportunities.

4. AUDIT COMMITTEE MEMBERSHIP

It is very important to acknowledge the input provided by IJB Board Members who are also Audit Committee members. This is an additional commitment over and above IJB Board membership and, due to scheduling of Audit Committees, can make for challenging schedules at certain times of the year.

Throughout 2019/20 and since June 2018, Councillor Julie Bell has undertaken the role of chair of the Audit Committee. In 2020, Andrew Jack has agreed to be the Committee's Vice Chair.

The membership of the IJB's Audit Committee is dictated by the Audit Committee's constitution. While membership has been relatively stable in 2019/20, during 2019/20 it was agreed to increase this membership from 6 to 7 members and there is currently 1 vacancy. The IJB's Annual Governance Statement, included as part of the IJB's Annual Accounts, routinely documents membership of and attendance at Audit Committee meetings. A copy of the relevant extract of the 2019/20 Governance Statement is included at appendix 2.

It is also important to acknowledge the input of Angus Council's Democratic Services, Legal Services and both the IJB's Internal Auditors and External Auditors into the production of papers that are submitted to the IJB and the running of the Committee generally.

5. SUMMARY

As noted at the outset, this report is now an annual report to the IJB regarding activity undertaken through the Audit Committee. As can be seen from the above, the work of the Audit Committee does reflect the remit of the Audit Committee and the annual cycle of governance reviews and reporting (e.g. consideration of annual governance reviews and annual accounts).

6. RISK MANAGEMENT

There are no additional risks identified as part of this report.

7. DIRECTIONS

There is no requirement to issue directions to either NHS Tayside or Angus Council based on recommendations contained within this report.

REPORT AUTHOR: ALEXANDER BERRY, Chief Finance Officer
EMAIL DETAILS: hsciangus.tayside@nhs.net

August 2020

Appendix 1 – Audit Committee Constitutional Arrangements
Appendix 2 – Audit Committee Membership

ANGUS INTEGRATION JOINT BOARD AUDIT COMMITTEE

CONSTITUTIONAL ARRANGEMENTS (Last Updated February 2020)

1. Membership

- 1.1 The Audit Committee shall comprise of 7 members of the Integration Joint Board all of whom will be entitled to vote at the Audit Committee. The 7 members shall include:-
(i) two voting members of the Integration Joint Board (one each from the voting membership of Angus Council and NHS Tayside) (excluding the Chair and Vice Chair of the Integration Joint Board who cannot be members of the Audit Committee); and,
(ii) three non voting members of the Integration Joint Board (excluding the Chief Officer and Chief Financial Officer who cannot be members of the Audit Committee but who will be expected to attend).
- 1.2 The membership of the Audit Committee shall be reviewed, re-selected and re-approved by the Integration Joint Board in October 2018 and three yearly thereafter.
- 1.3 The Audit Committee should meet at least four times per year unless circumstances require additional meetings.
- 1.4 The Audit Committee shall appoint a Chair and Vice Chair of the Audit Committee (who need not be a voting member of the Integration Joint Board).
- 1.5 Members of the Audit Committee will require to attend one development event a year in respect of their role as Audit Committee members.

2. Remit

- 2.1 The remit of the Audit Committee shall be:-
(i) to agree the Internal Audit Plan for the Integration Joint Board (without further reference to the Integration Joint Board),
(ii) to consider the terms of any external or internal Inspections, assessments or audits of the Integration Joint Board with a view to making recommendations to the Integration Joint Board in respect thereof (excepting therefrom external or internal inspections, assessments or audits in respect of clinical and/or care governance); and
(iii) to scrutinise and approve the annual accounts and Governance Statements.

3. Quorum

- 3.1 No business shall be transacted at a meeting of the Audit Committee unless there are present at least three voting Members of the Audit Committee.

4. Reports to the Audit Committee of the Integration Joint Board

- 4.1 The following shall have the right to submit reports to the Audit Committee of the Integration Board which must be considered by the Audit Committee of the Integration Board:-
- The Chief Officer of the Integration Board
 - The Chief Finance Officer of the Integration Board
 - The Integration Board's External Auditors
 - The Integration Boards Internal Auditors

Appendix 2 Audit Committee Membership - Extract of Angus IJB's Annual Governance Statement

Audit Committee Membership

Angus IJB ... has an Audit Committee chaired by a member of the IJB and comprising 6 (from February 2020, previously 5) further IJB members. During 2019/20, the Audit Committee met 4 times and the membership at the year end was as follows:-

Councillor Julie Bell (Chair of Audit Committee, attended 4 of 4 meetings).

Peter Burke (attended 4 of 4 meetings).

Andrew Jack (attended 4 of 4 meetings)

Kathryn Lindsay (attended 2 of 3 meetings).

Graeme Martin (attended 2 of 3 meetings).

Charlie Sinclair (attended 2 of 2 meetings).

During the financial year, other Audit Committee members included Jim Foulis (attended 1 of 1 meeting). Kathryn Lindsay, Graeme Martin and Charlie Sinclair all joined the Audit Committee during the 2019/20. As noted above, the Audit Committee's membership has been increased by 1 member in February 2020 and the IJB will seek to fill this role in due course.