



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD AUDIT COMMITTEE – 9 DECEMBER 2020
2019/20 EXTERNAL ANNUAL AUDIT REPORT – PROGRESS REPORT
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

To present a report setting out progress towards completion of the External Auditor's 2019/20 Annual Audit Report Action Plan.

1. RECOMMENDATION

It is recommended that the Angus IJB Audit Committee consider and note the attached Annual Audit Report Action Plan update.

2. BACKGROUND

The August 2020 meeting of the IJB's Audit Committee considered the IJB's External Auditor's 2019/20 Annual Audit report. Within the overall report, there were some specific recommendations made with corresponding action agreed by the IJB's management. The attached appendix 1 provides an update on the progress with these actions. As these matters are largely concluded or now ongoing it is not proposed to provide a further update to the Audit Committee.

Beyond formal recommendations, the IJB's External Auditors also noted the following:-

(Point 42 from their report) "The IJB and its partners will need to progress the recruitment of a permanent Chief Officer and any related interim roles."

The current position is that recruitment to this role is still being progressed by Angus Council and NHS Tayside.

3. CONCLUSION

The Audit Committee requires to consider and note the attached progress report.

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Appendix 1 – Annual Audit report – Action Plan Update – December 2020

**ANGUS INTEGRATION JOINT BOARD 2019/20 ANNUAL AUDIT REPORT
ACTION PLAN UPDATE – DECEMBER 2020**

No.	Issue/risk	Recommendation	Agreed management action/timing	Update
1	<p>Financial Sustainability While the IJB reported an under spend this year (2019/20) and returned a proportion of reserves to Partners, the update to the Strategic Financial Plan 2020/21 – 2022/23 (presented in April 2020) identifies a recurring funding shortfall of £6.6 m by 2022/23. The IJB approved a proposal to increase the contingency Reserve held from 2% to 2.5% in April 2020 (increase from £3.4m to £4.5m). This has allowed the IJB to move closer to a balanced plan in the short term but does not address underlying shortfalls. The IJB still faces significant financial pressures and must identify further sustainable savings measures. Risk – The IJB’s operating model is not financially sustainable.</p>	The IJB should ensure that detailed savings plans are developed to address the recurring financial shortfall identified in the Strategic Financial Plan.	<p>The IJB accepts the need to work towards addressing long term recurring shortfalls in the Strategic Financial Plan. The IJB will present proposals to address these shortfalls to its December 2020 Board meeting.</p> <p>Chief Finance Officer</p> <p>December 2020</p>	<p>Complete (but ongoing)</p> <p>The IJB continues to update its Strategic Financial Plan regularly with an update submitted to the December 2020 IJB meeting, reflecting reduced forecast deficits.</p> <p>Development of planned interventions to close out longer term shortfalls in plans has necessarily been deferred due to COVID-19 but this issue continues to be highlighted in reports to the IJB.</p>
(2018/19)	Financial Sustainability			Included within above action.
(2018/19) 4	<p>Capacity restricting improvements The IJB has identified and reported on a number of planned governance improvements over the past 3 years. One of the main barriers in progressing planned improvements is lack of capacity, particularly corporate support from the partner bodies. Risk – the IJB is unable to implement planned improvements; over time, this will impede the IJB’s effectiveness and cause reputational damage to the IJB if it does not deliver on its commitment to develop these areas.</p>	The IJB should work with partner bodies to secure adequate capacity to deliver improvements.	<p>The IJB accepts this and will continue to engage with partner bodies to secure adequate capacity.</p> <p>Chief Officer</p> <p>December 2019</p>	<p>Complete (but ongoing)</p> <p>The IJB continues to give a high profile to this issue and continues to work with Partners to improve support. While a formal review of Corporate Support Services has necessarily been deferred due to COVID-19 this has been highlighted as a priority with partner bodies. The IJB has also increasingly acknowledged shortcomings within internal capacity and has put in place funding to address this.</p>