



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 23 JUNE 2021

2020/21 ANGUS INTEGRATION JOINT BOARD ANNUAL GOVERNANCE STATEMENT

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

This report sets out the Integration Joint Board's draft Annual Governance Statement for financial year 2020/21. If approved, this Annual Governance Statement will then be formally included in the IJB's 2020/21 Annual Accounts.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board Audit Committee:-

- (i) consider and approve the IJB's 2020/21 Annual Governance Statement.
- (ii) authorise the Chair of the IJB's Audit Committee to write to both Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB confirming the adequacy and effectiveness of the governance arrangements within Angus IJB for 2020/21, including sharing the latest version of the Annual Governance Statement; and
- (iii) request that the Chief Finance Officer seek assurances from NHS Tayside, Angus Council, Dundee IJB and Perth & Kinross IJB prior to the next Audit Committee regarding reliance being placed on the systems of control within these organisations in the context of the impact on Angus IJB.

2. BACKGROUND

On an annual basis the IJB has to include an Annual Governance Statement within its Annual Accounts. This statement is intended to explain the IJB's governance arrangements and its reports on the effectiveness of the IJB's system of internal control.

The statement describes:-

- The Scope and responsibility of the IJB.
- The IJB's Governance Framework and Internal Control System 2020/21.
- The governance impact of COVID-19 within the IJB.
- An update regarding progress with the 2019 report Ministerial Strategic Group's "Review of Progress with the Integration of Health and Social Care".
- An update re Mental Health governance arrangements.
- An update re Adult Protection issues.
- An update regarding Income Management issues.
- Development Issues for 2021/22.
- Review of Effectiveness.

It is important to note the following points:-

- The attached draft governance report (appendix 1), once approved, will form part of the unaudited Annual Accounts submitted to the IJB's external auditors.
- Reference is made to reliance being placed on the systems of control within each of NHS Tayside, Angus Council, Dundee IJB and Perth & Kinross IJB. In due course, and prior to the next Audit Committee, assurances will be sought from Partners re these internal controls and their adequacy and effectiveness.
- Reference is made to views provided by the IJB's Internal Auditors. Those views are informed by work undertaken by Internal Audit as described in the 2020/21 Annual Internal Audit Report (separate report to June 2021 Audit Committee). At the point of writing this report, the Annual Internal Audit Report was still being finalised.
- As noted above, the Annual Governance Statement makes reference to the IJB's reliance on NHS Tayside, Angus Council, Dundee IJB and Perth & Kinross IJB maintaining the effectiveness of their systems of internal control. In turn, Angus IJB is required to provide reassurance to each of Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB regarding Angus IJB's Systems of Internal Control. It is proposed to do this by asking the Chair of the Audit Committee to confirm to these four parties a view as to the adequacy and effectiveness of Angus IJB's systems of internal control. It is suggested that the following wording is shared with the four parties:-

“ASSURANCES PROVIDED BY ANGUS INTEGRATION JOINT BOARD

Angus Integration Joint Board (Angus IJB) has responsibility for delegated services as described in the IJB's Integration Scheme. Since its inception the IJB has had an Audit Committee with devolved responsibility for a range of governance issues including assessing the adequacy and effectiveness of systems of internal control. As Chair of the Audit Committee, taking into account the work undertaken by the Audit Committee in the year 2020/21, I can confirm that adequate and effective governance arrangements were in place throughout Angus IJB during the year 2020/21. This is more described in Angus IJB's Annual Governance Statement attached.”

A copy of the most recent version of the Annual Governance Statement would then be provided alongside this statement.

- The Annual Governance statement acknowledges that a number of the issues for development in previous years have still not been concluded, with some of the recent delay due to the impact of COVID-19. It remains important to note that other factors including the complexity of these issues, the requirement to work with other parties (e.g. regarding corporate support), the management capacity available and the competing demands across a range of governance and operational issues remain concerns in resolving these issues. Updates on the most important outstanding governance actions are provided to the IJB Board regularly. Some matters may be resolved through the review of the IJB's Integration Scheme and associated documents.

3. CONCLUSIONS

The IJB's Audit Committee needs to consider and approve the draft Annual Governance Statement and to confirm it is content for the Chair of the Audit Committee to write to Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB providing them with confirmation of the adequacy and effectiveness of the governance arrangements within Angus IJB for 2020/21.

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List of Appendices: Appendix 1: Angus IJB's Draft 2020/21 Governance Statement.

Appendix 1: Angus IJB Draft 2020/21 Governance Statement

(Draft – subject to approval by Angus IJB Audit Committee 23 June 2021)

Introduction

In October 2015, the Scottish Government approved Angus IJB's Integration Scheme thus formally constituting the Partnership with the intention of it being responsible for services from 1st April 2016. Angus IJB duly assumed responsibility for services from 1st April 2016 and this Governance Statement therefore reflects the responsibilities assumed from 1st April 2016. The IJB's Integration Scheme has been updated since 2015 to allow for amendments to responsibilities. The original Integration Scheme did require to be reviewed after 5 years (i.e. by September 2020), however while the review did happen in these timelines the IJB expects that any revisions to the Integration Scheme will be agreed by partners by March 2022.

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

Scope and Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk and to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Angus Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB. Reliance is similarly placed on Dundee IJB and Perth & Kinross IJB with respect to Hosted Services.

The system can only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework and System of Internal Control

The Board of the IJB comprises voting members, nominated by either NHS Tayside or Angus Council, as well as non-voting members including a Chief Officer appointed by the Board. Board membership during 2020/21 is documented in the Angus IJB Remuneration Report within the Annual Accounts.

Angus IJB also has an Audit Committee chaired by a member of the IJB and comprising 6 further IJB members. During 2020/21, the Audit Committee met 3 times during the financial year. This was one meeting less than normal due to COVID-19 issues with the cancellation of the April 2020 being agreed after consultation with the IJB's External and Internal Auditors. The Audit Committee's membership at the year end was as follows:-

Councillor Julie Bell (Chair of Audit Committee, attended 3 of 3 meetings).
Peter Burke (attended 3 of 3 meetings).
Andrew Jack (attended 3 of 3 meetings).
Kathryn Lindsay (attended 3 of 3 meetings).
Graeme Martin (attended 2 of 3 meetings).
Charlie Sinclair (attended 0 of 3 meetings).
Chris Boyle (attended 1 of 1 meeting).

During the financial year, Chris Boyle joined the Audit Committee, and attended his first meeting in December 2020. In April 2021, following Graeme Martin's resignation from the Angus IJB, a vacancy now exists on the Audit Committee. The IJB will be working towards filling that vacancy in due course.

The main features of the ongoing governance framework in existence during 2020/21 were:

- Approved Integration Scheme, Scheme of Delegation, Standing Orders and Financial Regulations.
- Bi-monthly public meetings of the IJB, with one additional meeting in June 2020.

- Code of Conduct and Register of Interests for all IJB members.
- Monthly Executive Management Team and Senior Leadership Team meetings.
- Formal bi-monthly Strategic Planning Group overseeing the IJB's Strategic Plan and its implementation and updating.
- Bi-monthly Clinical, Care and Professional Governance forum.
- Bi-monthly Staff Governance Committee.
- The Audit Committee met 3 times in 2020/21 with responsibility for agreeing the Annual Internal Audit Plan, considering the results of any external or internal inspections, assessments or audits of the IJB and scrutinising the Annual Accounts and Governance Statement of the IJB.
- Appointment of Fife, Tayside and Forth Valley Management Services as Internal Auditors for the IJB with support from Angus Council Internal Audit.
- Appointment of Audit Scotland as External Auditors originally for financial years 2016/17 to 2020/21, but now with a one-year extension to 2021/22.
- Interim Chief Officer in post for duration of 2020/21, noting an exercise to recruit a permanent Chief Officer was underway at the start of 2021/22.
- Chief Finance Officer in post for the duration of 2020/21 with the Chief Finance Officer having overall responsibility for the IJB's financial arrangements, being professionally qualified and having suitable experience to lead the IJB's finance function and to direct staff. In line with overall Corporate Support arrangements, the Chief Finance Officer is reliant on the finance support (staff and systems) provided by both NHS Tayside and Angus Council. Since 2019/20 responsibility for management of associated NHS finance staff has been devolved to the Chief Finance Officer. Responsibility for management of associated Angus Council finance staff has been retained by Angus Council.
- High-level review of the "Role of the Chief Finance Officer in Local Government".

The governance framework described above operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2020/21 this included the following:

- Review of the IJB's Risk Management Strategy, resulting in approval of a new strategy in April 2021.
- Delivery of the IJB's Performance Reporting Framework.
- Provision of regular financial monitoring reports to the IJB.
- Provision of regular budget settlement reports.
- Provision of regular Strategic Financial Planning reports to the IJB.
- Approval and delivery of an Annual Internal Audit Plan.
- Issuing of high-level Directions to Partner organisations and, reflecting recent Scottish Government guidance, a move to a gradual introduction of Directions to Partners reflecting in-year decisions of the IJB.
- Implementation of the IJB's Complaints handling procedure, noting improvement work is now underway.
- Implementation of Clinical, Care and Professional Governance monitoring arrangements.
- Implementation of the IJB's GDPR (General Data Protection Regulation) protocols.
- Reliance on the procedures, processes, and systems of partner organisations for which assurance is received from partner bodies.

The IJB complies with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA publication) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA publication). The Head of Internal Audit reports directly to the Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair and members of the IJB Audit Committee on any matter and the right to submit reports directly to the Audit Committee. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Audit Committee.

COVID-19

During March 2020, the Health and Social Care Partnership initiated rapid changes in its management arrangements to both address COVID-19 planning and operational issues and maintain governance and internal control requirements. This included developing leadership and command structures led by the Angus Leadership Response Team (LRT). These structures in turn interfaced with similar structures in NHS Tayside and Angus Council. The LRT met regularly during 2020/21 with its frequency adjusted to

reflect pressures. The group had a Terms of Reference and maintained an Action and Decision Log. The IJB followed guidance as issued by the Scottish Government with implementation overseen by the LRT.

At the end of 2020, the IJB's Internal Auditors reviewed the functioning of the LRT and the IJB's overall governance arrangements during the COVID-19 pandemic and the general view of the Internal Auditors was that the IJB had :-

- Maintained oversight and scrutiny of key decisions.
- Maintained an effective relationship with all IJB members.
- Had clear decision making through the LRT in line with good practice.

The Internal Auditors further commented that they formed "an overall positive impression opinion of the culture and leadership of the organisation and how its governance and management arrangements responded to the Covid-19 crisis."

As the pandemic evolved the IJB's focus moved from immediate responses to a combination of response, remobilisation and recovery. All associated plans were developed through the IJB's LRT and shared with the IJB for information as appropriate. Beyond remobilisation, the IJB has also reviewed its Strategic Commissioning Plan and underlying assumptions. This has not resulted in widespread significant revision but some changes may now happen earlier than envisaged. There will be an increased focus on recovery, reconfiguration and transformation to meet revised population needs, resources and new ways of working.

In response to emerging needs and Scottish Government direction, the IJB has also increased the governance focus within the Care Home and Care at Home sectors. Regular meetings of multi-disciplinary groups were initiated to oversee issues emerging in these sectors during the pandemic including infection control measures, risk management, provision of PPE, staffing issues, visiting arrangements, quality of care and sustainability of service. These groups have proven to be a successful addition to the clinical and care governance landscape and the IJB will ensure that the learning emerging from these groups is embedded in future service delivery. It is required that these groups continue until at least Spring 2022.

The IJB also a significant participant in the regional Primary Care Co-ordination and Command Team that has assisted the management and over-sight of Primary Care services during the pandemic response.

Ministerial Strategic Group for Health and Community Care - Review of Progress with Integration of Health and Social Care (2019)

This review, published in February 2019, set a challenging and ambitious agenda for Integration Authorities, NHS Boards and Local Authorities, working with key partners, including the third and independent sectors, to make progress with the implementation of integration over the subsequent 12 months. Following a self-assessment, an Angus action plan was developed with 57 actions. Progress reports have been shared with the IJB in August 2020 and April 2021. There remain a small number of outstanding issues. These will continue to be progressed by the IJB and progress will be monitored by the IJB's Audit Committee.

Mental Health – Governance Arrangements

Following the production of the "Independent Enquiry into Mental Health Services in Tayside: Trust and Respect", an action plan "Listen. Learn. Change" was produced with an associated strategy and implementation plan. This issue has been the subject of regular IJB discussion throughout 2020/21. It should be noted that further work is still required regarding developing an associated financial framework.

In March 2020, the Scottish Government confirmed that the operational management for in patient Mental Health Services in Tayside would transfer from Integration Authorities (Perth and Kinross IJB) to NHS Tayside. This change was accompanied by an increased focus on whole-system working. While operation management arrangements have been revised, strategic responsibility for Mental Health services remains with the IJB. It is reasonable to observe that the new Mental Health governance arrangements (including financial governance) do still need to be refined to ensure a shared collective understanding of remits and responsibilities.

Adult Protection

During 2019/2020, an independent review of Adults with Incapacity/Guardianship work in the AHSCP Community Mental Health under 65's service was undertaken. This review concluded in February 2020 and made a series of recommendations for improvements, some of which were in response to concerns about adult protection. In the early summer of 2020, concerns were expressed about the decision-making of staff and managers in specific cases within the Community Mental Health under 65's teams and in AIDARS. There were concerns that these cases may have had similar themes to those in the independent review.

A large-scale audit of adult protection work in care management was undertaken and the findings, along with those of earlier investigations and recent case reviews, have been incorporated into an Adult Protection Improvement Plan. Subsequently, the IJB and the Angus Adult Protection Committee have received reports setting out the work undertaken in response to Adult Protection issues. This was reported to the IJB with reports concluding that Adult Protection work in Angus is of a good standard.

Income Management

During 2019/20 the IJB, in conjunction with Angus Council, initiated a review of its overall income management processes to seek to address some emerging operational issues. This work was delayed due to COVID-19 issues and resource to address this issue were only been identified from early 2021. This matter remains under review.

Development Issues

The IJB is required to review the effectiveness of its governance structures regularly. The IJB acknowledges that as an increasingly mature organisation, albeit working in a complicated environment, further development and review of governance structures is still required.

There is no doubt that governance improvements have been deferred due to the impact of COVID-19. This of course does not mean current governance standards slipped during 2020/21 and these are outlined above. Some progress has been made in 2020/21 including an update of the Risk Management Strategy, development of Hosted Service financial reporting and the start of work to review and revise the Integration Scheme.

In both 2018/19 and 2019/20, the IJB's Annual Governance Statement has noted a number of governance "Areas for Improvement". An update is provided as follows:-

Area for Improvement	Lead Officer	Status in 2020/21	Proposals for 2021/2022
Development of Large Hospital Set Aside arrangements with NHS Tayside.	Chief Officer/Chief Finance Officer	Limited local progress. Reports to the IJB have reflected on current status and future developments. NHS Tayside had previously set aside resources of £2m to support Shifting the Balance of Care but this was partially withdrawn in 2021/22	Updates provided regularly to IJB Board and continue to progress work with NHS Tayside. Reports to Angus IJB planned re both current status and future developments.
Development of improved Hosted Services arrangements including improved sharing of information between the three Tayside IJBs	Chief Officer	Partial local progress with sharing improved financial information.	Consolidation of sharing of financial information and development of risk management and performance information sharing.
Review corporate support arrangements.	Chief Officer	IJB accepted that 2020/21 was not an appropriate year for a review of these arrangements but did highlight need for improvement to Partners. Angus Council have made a welcome commitment to extra resource to	Continues to be considered as part of MSG response.

		support Procurement and Finance support.	
Review the overall governance framework that supports the relationship with Partners.	Chief Officer	This is captured under the review and revision of the Integration Scheme noted above. Work is being progressed through a regional working group with revisions expected by March 2022.	Completion of the review of the Integration Scheme and progressions of associated revisions.

All the above issues have been noted in previous Annual Governance Statements. The resolution of these issues remains characterised by their complexity and the requirement to work with other parties. The issue of competing demands (particularly during 2020/21) and varying views across parties does remain a challenge. These issues are highlighted regularly to the IJB and the Audit Committee.

The IJB has noted that it is looking at reviewing the IJB's committee structure to ensure it is fit for purpose going forward and, for example, to ensure it is best able to provide oversight of approved planned interventions.

Review of Effectiveness

As noted, the IJB has responsibility for reviewing the effectiveness of its governance structures regularly. Throughout 2020/21 governance updates have regularly been provided to the IJB's Audit Committee. However, reflecting COVID-19 impact, progress with governance improvement has been difficult. However the IJB's general view is that current governance arrangements have not been compromised by the impact of COVID-19.

At the end of 2020/21, the IJB's Chief Internal Auditor has reviewed the IJB's governance arrangements and in the IJB's 2020/21 Annual Internal Audit report notes:-

- *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 2020/21.*
- *Based on the work undertaken, I have concluded that Reliance can be placed on the IJBs governance arrangements and systems of internal controls for 2020/21*
- *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.*

While there remain a number of challenging areas of governance (described above in "Development Issues" section), it is the opinion of the IJB Chairperson and Chief Officer that at 31 March 2021, 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.

Emma Jane Wells	Gail Smith
Chairperson	Interim Chief Officer
Xx xxxxx 2021	Xx xxxxxx 2021