



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 25 AUGUST 2021
ANGUS IJB AUDIT COMMITTEE ANNUAL REPORT 2020/21
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

This report is the fourth Annual Report provided by the Angus IJB Audit Committee to the Angus IJB. It summarises the work of the IJB Audit Committee during the year 2020/21.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) Notes the Annual Report of the IJB Audit Committee for the year 2020/21.
- (ii) Acknowledges the input provided to the IJB Audit Committee from IJB Audit Committee members, and those supporting the IJB Audit Committee including Angus Council Legal and Democratic Services and the IJB's Internal and External Auditors.
- (iii) Notes that the three-yearly review of IJB Audit Committee membership is due in October 2021.

2. BACKGROUND

Previously it has been agreed that on an annual basis the IJB 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 2020/21.

At the inception of the IJB, and as per report 32/16 (March 2016), the IJB agreed to create a separate IJB Audit Committee with an agreed remit. The constitutional arrangements for the IJB Audit Committee were reviewed in February 2020 by the IJB itself in report 3/20 (see appendix 1). The IJB Audit Committee has met regularly as agreed since 2016 with minutes of the IJB Audit Committee shared with the main IJB Board.

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

“...the remit of the IJB 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 evolving the remit of the Audit Committee to support the overall governance arrangements of the IJB (e.g. risk management and resource

issues). The remit of the Audit Committee will still be revisited in due course as part of a wider review of the governance arrangements of the IJB.

Much of the work of the IJB Audit Committee is influenced by the remit of the IJB Audit Committee with an obvious example being work associated with the IJB's Annual Accounts. This example also highlights that the IJB 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 IJB Audit Committee in the 12 months to June 2021. It also notes issues that will be discussed at the September 2021 IJB Audit Committee (scheduled for 29th September 2021, deferred from August 2020 due to COVID-19 impact on Audit Scotland work plans) where these reflect 2020/21 issues.

3. CURRENT POSITION

3.1 REPORTS CONSIDERED BY THE IJB AUDIT COMMITTEE – YEAR TO JUNE 2021

The IJB's Audit Committee is scheduled to meet 4 times per annum. This pattern has been in place since the inception of the Committee and is intended to balance the commitments of the members of the Committee and the timeline and breadth of the IJB Audit Committee's remits. While noted in last year's report, it is worth keeping in mind that the April 2020 meeting was cancelled due to COVID-19 issues. All associated reports were successfully deferred to subsequent meetings.

Over the period from June 2020 to June 2021, with this period being longer than 1 year to show more than 1 reporting cycle), the Committee considered the following issues:-

Report	Jun 2020	Aug 2020	Dec 2020	Apr 2021	Jun 2021
Regular Items					
IJB 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	✓ (19/20)			✓ (20/21)	
IJB Governance Statement	✓ (19/20)				✓ (20/21)
Assurances Received From Partners		✓ (19/20)			
IJB Unaudited Annual Accounts	✓ (19/20)				✓ (20/21)
External Audit Plan			✓ (20/21, Verbal Update)	✓ (20/21)	
Audited Annual Accounts (including External Audit Annual Report)		✓ (19/20)			
External Audit Annual Report – Review of Actions			✓ (19/20)		
Internal Audit					
Internal Audit Charter	✓				(See below)
Annual Internal Audit Plan (Including review of Internal Audit Charter)		✓ (20/21)			✓ (21/22)
Annual Internal Audit Plan – Progress Report	✓	✓	✓	✓	✓
Internal Audit – Follow Up Actions	✓	✓	✓	✓	✓
Annual Internal Audit Report	✓ (19/20)				✓ (20/21)
Internal Audit – Risk	✓		✓		

Report	Jun 2020	Aug 2020	Dec 2020	Apr 2021	Jun 2021
Management					
Internal Audit Report – Data Quality		✓			
Internal Audit report – Governance and Assurance					✓
Internal Audit Report – Charging For Services					✓
Annual Items					
IJB Audit Committee Annual Work Plan	✓ (20/21)			✓ (21/22)	
Annual Risk Management Report					✓ (20/21)
Annual Assurance Report – Clinical, Care and Professional Governance	✓ (19/20)				See notes below.
Annual IJB Audit Committee Report to IJB		✓ (19/20)			
One-Off Items					
Audit Scotland Update (COVID-19)	✓				

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 2020 will be on the IJB’s Audit Committee agenda for September 2021 (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 and consideration of Governance Action Plans;
- 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.

It may be of interest to IJB Board members to note that the IJB Audit Committee is developing the way it reviews “External Reports” (i.e. reports by third parties of interest to the IJB) and this is intended to ensure wider circulation of reports of interest across all IJB Board members in future.

From June 2021, it has been agreed that the “Annual Assurance Report – Clinical, Care and Professional Governance” will be submitted directly to the IJB.

The IJB Audit Committee is also committed to at least one annual development session for IJB Audit Committee members. In 2020/21 this took place in February 2021) delayed from October 2020 due to COVID-19) and is scheduled to be repeated in October 2021.

The IJB does have a number of long standing governance improvement actions, some of which are common to IJB’s nationally. These are regularly highlighted to the IJB in the IJB’s Finance reports. The Audit Committee continues to monitor progress with these issues which 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.
- Status of Finance support structure.

In June 2021, the IJB Audit Committee approved the IJB’s Governance Statement for 2020/21. 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 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."

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.

3.2 IJB AUDIT COMMITTEE MEMBERSHIP

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

Since June 2018, Councillor Julie Bell has undertaken the role of chair of the IJB Audit Committee. In 2020 Andrew Jack agreed to be the Committee's Vice Chair. These positions are reviewed annually as part of the Committee's Annual Work plan.

The membership of the IJB's Audit Committee is dictated by the IJB Audit Committee's constitution. While membership has been relatively stable in 2020/21, at August 2021 there is currently 1 vacancy. The Committee expects to fill this vacancy imminently. The IJB's Annual Governance Statement, included as part of the IJB's Annual Accounts, routinely documents membership of and attendance at IJB Audit Committee meetings. A copy of the relevant extract of the 2020/21 Governance Statement is included at appendix 2.

It is important to note that the constitution of the IJB Audit Committee (as per appendix 1), determines that "The membership of the IJB Audit Committee shall be reviewed, re-selected and re-approved by the Integration Joint Board in October 2018 and three yearly thereafter." This three-yearly review will fall in October 2021.

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

3.3 SUMMARY

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

4. PROPOSALS

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

5. FINANCIAL IMPLICATIONS

No new financial implications reported.

6. RISK

There are no new risks other than those referred to in originating IJB Audit Committee reports.

7. OTHER IMPLICATIONS

No additional implications reported.

8. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required.

9. DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside.

Direction Required to Angus Council, NHS Tayside or Both	Direction to:	
	No Direction Required	x
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

REPORT AUTHOR: ALEXANDER BERRY, Chief Finance Officer
EMAIL DETAILS: tay.angushscp@nhs.scot

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

Appendix 1

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 there from 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 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.