

## AGENDA ITEM NO 3 (a)

MINUTE of MEETING of the **ANGUS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** held remotely on Wednesday 23 June 2021 at 12 noon.

**Present: Members of Audit Committee**

Councillor JULIE BELL, Angus Council  
CHRIS BOYLE, Staff Representative  
PETER BURKE, Carer's Representative  
ANDREW JACK, Service User Representative  
KATHRYN LINDSAY, Chief Social Work Officer  
CHARLIE SINCLAIR, Associate Nurse Director, NHS Tayside

**Advisory Officers**

SANDY BERRY, Chief Finance Officer  
GAIL SMITH, Interim Chief Officer  
DAVID THOMPSON, Manager, Legal Team 1, Legal and Democratic

**Also in Attendance**

MARY O' CONNOR, Senior Auditor, Audit Scotland  
TONY GASKIN, Chief Internal Auditor, Fife, Tayside and Forth Valley Audit and Management Services (FTF)  
JILLIAN GALLOWAY, Head of Community Health and Care Services – North

**Observers**

SHEILA McGRADY, Team Leader, Services Support Team

Councillor Julie Bell, in the Chair

Prior to the commencement of business, the Chair thanked members for accommodating her request to change the meeting start time. She also intimated that in advance of the IJB meeting scheduled for 2pm, that should the business not be concluded, the IJB Audit Committee meeting would be adjourned and reconvened at the conclusion of the IJB meeting.

**1. APOLOGIES**

There were no apologies intimated.

**2. DECLARATIONS OF INTEREST**

Councillor Bell advised that in her capacity as a Non-Executive Director of Public Health Scotland, she had a standing declaration of interest and specific exclusion, and would take part in any discussion or voting.

**3. MINUTES INCLUDING ACTION LOG**

**(a) Previous Meeting**

The minute of the previous meeting of 21 April 2021 was approved as a correct record.

**(b) Audit Committee Action Points**

There was submitted the Action Points update arising from the previous meeting of this Committee.

The Chief Finance Officer provided a brief overview of the movement in actions related to the ongoing discussions with Angus Council regarding line management responsibilities; financial management training; induction and development sessions; and training resources to assist new members. The Interim Chief Officer also provided an update on the post of Chief Officer in terms of closing date and recruitment process.

In reference to the interim arrangements in place, the Chair expressed her appreciation to the quality of management that had been maintained throughout the interim period, and also recognised the significant pressures on individuals during that time. Also highlighted that the interim arrangements were in place longer than originally anticipated, and thereafter commended those officers who had also stepped up in their roles during those unprecedented times. The Committee thereafter endorsed the Chair's comments.

In response, the Interim Chief Officer thanked the Committee, provided an update and intimated that it had been an extremely challenging period.

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

*The Service User Representative intimated apologies and left the meeting.*

#### **4. CLINICAL CARE AND PROFESSIONAL GOVERNANCE ANNUAL ASSURANCE REPORT**

Members noted that the Clinical Care and Professional Governance Annual Assurance Report was part of the IJB Audit Committee Workplan. The Report was included for consideration at the IJB on 23 June 2021 and was therefore not included on the Agenda, to avoid duplication.

#### **5. INTERNAL AUDIT REPORTS – FOLLOW UP ACTIONS**

With reference to Article 5 of the minute of meeting of this Committee of 9 December 2020, there was submitted Report No IJB 24/21 by the Chief Finance Officer, updating the Committee on progress made with meeting the recommendations of the Internal Audit Reports.

Attached as Appendix 1 to the Report was a table of Follow-up Actions to the Angus Integration Joint Board Internal Audit Reports related to AN07/18 – Financial Management; AN05/20 – Risk Management; and AN06/20 – Data Quality.

The Chief Finance Officer provided an overview of the Report highlighting that there had been some movement but that other actions had been delayed as a result of the COVID-19 pandemic.

In response to the Chair's question regarding the issues related to Angus Council finance and procurement, the Chief Finance Officer indicated that there had been gradual progress and that, separately, there were additional resources in place to support the overall management structure.

The Integration Joint Board Audit Committee agreed to note the Report, and the progress made to date in terms of delivering the planned response.

*In advance of the following Item, the Chief Internal Auditor intimated that some of the action points detailed in the Appendix to the Report, may now be superseded.*

#### **6. GOVERNANCE ACTIONS PLAN**

With reference to Article 5 of the minute of meeting of this Committee of 21 April 2021, there was submitted Report No IJB 25/21 by the Chief Finance Officer providing a Governance Actions Plan for the ongoing review by the Integration Joint Board Audit Committee.

Appendix 1 to the Report detailed six actions currently referenced back to the 2018/19 Annual Internal Audit Report.

The Chief Finance Officer highlighted the complexity of some issues and the impact that COVID-19 had on the progress with some of the governance issues. He also intimated that some actions may now be superseded.

In referring to Actions 5 and 6 as outlined in the Appendix to the Report, the Chair sought further clarification around Action 6, and in response, the Chief Internal Auditor confirmed that the action had not been completed but that more detailed specific recommendations had been produced.

Having heard from the Chair, the Integration Joint Board Audit Committee agreed:-

- (i) to note the Governance Actions Plan as appended to the Report;
- (ii) to note that the outstanding actions from the Ministerial Steering Report (IJB Report 5/21) would be reported to the IJB Audit Committee via future versions of the Report; and
- (iii) that Actions 5 and 6 of the 2018/19 Annual Internal Audit Report as detailed in Appendix 1 to the Report, be superseded.

## **7. INTERNAL AUDIT REPORT – GOVERNANCE AND ASSURANCE**

There was submitted Report No IJB 26/21 by the Chief Finance Officer updating members on the outcomes of the Internal Audit report regarding the 2020/21 review of Governance and Assurance.

The Report indicated that the 2020/21 Annual Internal Audit plan included a review of Governance and Assurance. The scope was to review the impact of COVID-19 on existing governance arrangements on areas that the IJB Audit Committee members may seek assurance on.

The outcome of the Internal Audit was Report AN04/21 was outlined in the Appendix to the Report and generally the level of assurance was that of comprehensive assurance with two exceptions relating to Staff – Limited Assurance and Finance – Moderate Assurance.

The Chief Finance Officer confirmed that the governance arrangements were being maintained and were considered robust in the overall response to COVID-19. Having heard from the Chief Internal Auditor and also the Interim Chief Officer who provided an update in relation to the issues highlighted in Section 2, Report Ref: 2.5 of the Report relating to the review of the Integration Scheme and also highlighted the establishment of the working group. The Chief Internal Auditor highlighted that he had also been invited to be involved in the review of the Integration Scheme process.

The Integration Joint Board Audit Committee agreed to note the Internal Audit review of Governance and Assurance (AN04/21).

## **8. 2020/21 AND 2021/22 INTERNAL ANNUAL AUDIT PLANS – PROGRESS REPORT**

With reference to Article 6 of the minute of meeting of this Committee of 21 April 2021, there was submitted Report No IJB 27/21 by the Chief Internal Auditor briefing members on the completion of the 2020/21 Internal Audit Plan and the work in progress relating to 2021/22.

Appendices 1 and 2 detailed the Internal Audit Progress Report for 2020/21 and the Internal Audit Definition of Assurance and Recommendation Priorities.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the completion of the 2020/21 Internal Audit plan and work undertaken relating to the 2021/22 plan; and
- (ii) to note the revised recommendation priorities and assurance definitions for use in all future Internal Audit reports as outlined in Appendix 2.

## **9. ANGUS ANNUAL RISK MANAGEMENT REPORT 2020/21**

With reference to Article 8 of the minute of meeting of this Committee of 9 December 2020, there was submitted Report No IJB 28/21 by the Interim Chief Officer providing members with a Report in relation to Risk Management activities which had been undertaken during 2020/21.

The Report indicated that the Chief Officer had responsibility for maintaining a sound system of internal control, and for reviewing the effectiveness of the risk management system within the organisation and facilitated the preparation of the Annual Governance Statement.

The Interim Chief Officer provided an overview of the Report and in reference to the recent NHS Risk Management Committee, advised that that Committee were supportive and recognised the Partnership's risks. She confirmed that two new risks had been actioned at that meeting. In terms of Risk Appetite, she confirmed a meeting was arranged with the Chief Internal Auditor and that the Risk Appetite session for members and officers, would be taking place on 25 August 2021.

Having heard from the Chair who raised whether a mid-year report would be beneficial, and in response, the Interim Chief Officer agreed that a mid-year summary report could be provided.

The Chief Internal Auditor provided background information and the feasibility of bi-annual reporting. He confirmed that he would share information with the Interim Chief Officer that may be useful in terms of mid year reporting. The Interim Chief Officer advised that a draft report would be shared with the Chief Internal Auditor in due course.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the contents of the Angus HSCP Annual Risk Management Report 2020/21 as detailed in Appendix 1 to the Report; and
- (ii) to request that the Interim Chief Officer provide an interim mid year summarised Angus Risk Management Report to the IJB Audit Committee meeting in December 2021.

## **10. 2020/21 ANNUAL INTERNAL AUDIT REPORT**

With reference to Article 11 of the minute of meeting of this Committee of 24 June 2020, there was submitted Report No IJB 29/21 by the Chief Finance Officer presenting the Annual Internal Audit Report as produced by the Angus Integration Joint Board's (IJB) Internal Auditors.

Appendix 1 to the Report outlined the Angus Integration Joint Board's Internal Auditors 2020/21 Annual Internal Audit Report.

The Report is 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.

The main conclusions made by Angus IJB's Chief Internal Auditor were outlined in Section 2 of the Report.

The Chief Finance Officer provided background information and also confirmed that the preliminary management responses as detailed in the Report would be considered by the management team in more detail over the next few months and an update provided to the External Auditors and the Audit Committee at their next meeting.

The Chief Internal Auditor highlighted that the IJB had performed well in difficult circumstances, with long standing structural governance issues which he confirmed could only be resolved in Partnership with other bodies and also highlighted the unprecedented challenges created as a result of COVID-19 which also meant that the Strategic Commissioning Plan did not reflect the environment that the IJB operated. The key messages of the Report included the Strategic

Commissioning plan, good progress made against the Ministerial Steering Group (MSG) action plan, development of a new workforce plan and agreement of the Tayside-wide IJB Risk Management Strategy, and Whistleblowing Policy. The Report highlighted also that the IJB had done well in the circumstances, but a number of challenges still remained.

The Chair confirmed that the Chief Executive of Angus Council was currently reviewing the Council's Whistleblowing Policy. She also encouraged the Audit Committee to be accepting of the recommendations as outlined in Appendix 1 to the Report, and also raised her concerns around the progress with the mental health strategy.

The Chief Internal Auditor responded to the Carer's Representative in terms of the issues referred to within the two partners governance statements.

The Interim Chief Officer raised concerns in terms of the Action Point Reference 3 – Assessment of Risk grading of significant as opposed to moderate, highlighting the tremendous amount of work undertaken particularly, throughout the pandemic and the exceptional work of the senior managers during these challenging times. She intimated that it would be beneficial to add in a paragraph to highlight the exceptional work undertaken.

Having heard from the Chair, and also from the Interim Chief Officer who indicated that the grade of significant should be regraded to moderate and also that additional commentary be included within the action point in relation to hosted services and mental health services. The Associate Nurse Director provided an update and also welcomed the positive comments from the Interim Chief Officer and the proposal to regrade from significant to moderate.

The Chief Internal Auditor provided an update and indicated that he would reconsider the regrading from significant to moderate.

The Chief Social Work Officer commended the Chief Internal Auditor for the comprehensive Report. In reference to Section 1, B1 Clinical point (iv) of the Report, as a point of clarification, highlighted that the Report template that had been issued by Scottish Government, that the IJB had not been the intended audience for that particular Report. From an IJB scrutiny perspective, an alternative Report might be more beneficial, highlighting also that the Chief Social Work Officer's Annual Report was different to an IJB report. She provided further background information and suggested that there was likely to be scope for development in this regard.

Having heard from the Chair, Chief Social Work Officer and in response to the Chief Social Work Officer's comments, the Chief Internal Auditor outlined the benefits of developing a Report that would provide assurances on the adequacy and effectiveness of arrangements for the quality and safety of care.

The Head of Community Health and Care Services, in response to the Carer's Representative's comment regarding the Angus IJB Complaints Handling Review process, agreed to discuss this further post meeting.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Annual Internal Audit Report in evaluating the internal control environment for 2020/21 and considered actions to be taken on the issues reported for consideration;
- (ii) to note and approve the audit recommendations and preliminary management responses documented within the Report; noting that those responses would be subject to future ratification; and
- (iii) that in reference to Action Point Reference 3 in the Appendix to the Report, to request the Chief Internal Auditor to consider regrading the Assessment of Risk level from Significant to Moderate and also to include additional commentary within the action point related to the exceptional work undertaken by staff; mental health services and hosted services.

## **11. 2020/21 ANGUS INTEGRATION JOINT BOARD ANNUAL GOVERNANCE STATEMENT**

With reference to Article 12 of the minute of meeting of this Committee of 24 June 2020, there was submitted Report No IJB 30/21 by the Chief Finance Officer setting out the Integration Joint Board's (IJB) draft Annual Governance Statement for financial year 2020/21. If approved, the Annual Governance Statement would then be formally included in the IJB's 2020/21 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 previous years had still not been concluded, with some of the recent delays being due to the impact of COVID-19. It remained important to note that other factors including the complexity of issues; the requirement to work with other parties; the management capacity available; and the competing demands across a range of governance and operational issues remained concerns in resolving those issues. Updates on the most important outstanding governance actions were provided to the IJB regularly. Some matters may be resolved through the review of the IJB's Integration Scheme and associated documents.

The Chief Finance Officer provided an overview of the Report, highlighting the specific areas that were included in this year's statement in relation to COVID-19, Mental Health - Governance Arrangements and Adult Protection.

Having heard from the Chair who welcomed the inclusion of the Mental Health – Governance Arrangements within the Report, the Integration Joint Board Audit Committee agreed:-

- (i) to note and approve the Integration Joint Board's 2020/21 Annual Governance Statement;
- (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 2020/21, included sharing the latest version of the Annual Governance Statement; and
- (iii) to request that the Chief Finance Officer seek assurances from NHS Tayside, Angus Council, Dundee Integration Joint Board and Perth and Kinross Integration Joint Board prior to the next Audit Committee regarding reliance being placed on systems of control within these organisations in the context of the impact on the Angus IJB.

*At this stage, the Manager, Legal Team 1, Angus Council, left the meeting.*

## **12. UNAUDITED ANNUAL ACCOUNTS**

With reference to Article 13 of the minute of meeting of this Committee of 24 June 2020, there was submitted Report No IJB 31/21 by the Chief Finance Officer setting out the Angus Integration Joint Board's unaudited Annual Accounts for financial year 2020/21.

The Report indicated that as a formally constituted body, the IJB was required to produce a set of formal Annual Accounts in accordance with the regulations and guidance as detailed in Section 3 of the Report. Attached as Appendix 1 to the Report was the Integration Joint Board's Unaudited Annual Accounts for 2020/21.

The unaudited Annual Accounts to be submitted to the Integration Joint Board's External Auditors would include the updated Governance Statement after it had been the subject of separate Audit Committee consideration, and an extract of the Integration Joint Board's Annual Performance Report.

The Chief Finance Officer provided an overview and outlined the required features of the Annual Accounts. He also confirmed that the unaudited Annual Accounts would require to be submitted to the IJB External Auditors for their review, prior to final accounts being considered by the IJB Audit Committee, at their meeting in September 2021. He also intimated that there were still some technical accounting issues under consideration at a national level that would require some figures to be adjusted. He also highlighted that the main differences in the figures from this Report and the Finance Report being considered by the IJB later today, was the changes in the reserves position.

Having heard from the Chair in relation to the use of reserves, the Integration Joint Board Audit Committee agreed:-

- (i) to note the background regarding compilation of the Integration Joint Board's 2020/21 Unaudited Annual Accounts;
- (ii) to confirm the submission of the Unaudited Annual Accounts to the IJB's External Auditors.

### **13. INTERNAL AUDIT PLAN 2021/22**

With reference to Article 11 of the minute of meeting of 26 August 2020, there was submitted Report No IJB 32/21 by the Chief Finance Officer seeking approval of the Annual Internal Plan for Angus Integration Joint Board for 2021/22.

The Report indicated that Internal Audit Plan described how the available resource would be utilised during the year, also reflected the risks faced by the IJB but acknowledged the breadth of previous Internal Audit activity. Annual confirmation of the status of the IJB's Audit Charter was also detailed. Appendix 1 to the Report outlined the Angus IJB Internal Audit Plan 2021/22.

Having heard from the Chief Finance Officer and also the Chief Internal Auditor who provided an informative update of the Internal Audit plan including the Review of the Integration Scheme, Charging for Services; and the two key audits in relation to Sustainability of Primary Care Services; and Commissioned Services Providers, and the IJB Audit Charter.

The Chair also raised the feasibility of the timescales particularly, the AN05-22 Sustainability of Primary Care Services audit which had a target date of August 2021. The Chief Internal Auditor indicated that the audit could not be commenced until the plan was approved and agreed that the timescale of August 2021 was premature and would require to be extended.

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

- (i) to approve the Internal Audit Plan for 2021/22 as outlined in Appendix 1 to the Report;
- (ii) that in reference to the AN05-22 Sustainability of Primary Care Services Audit, that the target date of August 2021 be further extended to give adequate time for the audit to be undertaken; and
- (iii) to request that the Angus Integration Joint Board's Internal Auditors proceed with the implementation of the approved Audit Plan and to report back as required to the Integration Joint Board Audit Committee regarding progress of the plan.

### **14. EXTERNAL REPORTS**

With reference to Article 10 of the minute of meeting of this Committee of 21 April 2021, there was submitted Report No IJB 33/21 by the Chief Finance Officer regarding the evaluation of Microsoft Teams (MST) Channel which had been established to share external, often national, reports that were of interest to the IJB 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.

Since August 2020 there had been a Microsoft Teams (MST) Channel where a number of relevant external reports had been added. An evaluation of the scope to move the function (of sharing reports), away from the IJB Audit Committee into a supported MST Channel had been undertaken. Appendices 1 and 2 to the Report detailed the evaluation of the use of MST Channel for sharing External Reports and examples of Reports previously circulated via the MST Channel.

The Chief Finance Officer provided a brief overview of the stepped change to move the format of sharing reports from the IJB Audit Committee to the supported MST Channel.

The Chair also requested that in supporting the expansion of membership to include the IJB, that a link to the MST Channel be made available to all members.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the results of the evaluation of the Integration Joint Board External Report MST Channel and to support the recommendation to move this format for sharing reports going forward; and
- (ii) to support the expansion of the membership of the External Reports MST Channel to include all IJB members.

## **15. INTERNAL AUDIT REPORT – CHARGING FOR SERVICES (ANO5/21)**

There was submitted Report No IJB 34/21 by the Chief Finance Officer providing an update to members on the outcome of the Internal Audit report regarding the 2020/21 review of Charging for Services process.

The Report indicated that the IJB Audit Committee agreed at their December 2020, to revise the 2020/21 Internal Audit Plan and redirect audit resource to a piece of consultancy work regarding processes in place to manage charging for Adult Social Care Services.

The Internal Audit led consultancy work had now been concluded. As was evident from the executive summary Report, outlined in the Appendix to the Report, the system was complex that involved a range of departments within Angus Health and Social Care Partnership and Angus Council. Management were aware of some issues and inefficiencies and had established a multi-disciplinary Charging Group.

The Audit Report included a number of recommendation and suggestions for improvement. The IJB, in conjunction with Angus Council now required to progress these issues to ensure the observations outlined in the Report were translated into an operational improvement plan.

The Chief Finance Officer highlighted that issues with the charging process had been a concern over a number of years and were regularly featured in the IJB Finance report. The internal audit work had been concluded by Gordon Longmuir, Internal Auditor, Angus Council and an executive summary document and a separate operational document produced. In referring to the recommendations as detailed in the Report, in particular, recommendation (ii) b in relation to the development of a resourced improvement plan, he intimated that through the Interim Chief Officer that they would require to consider resources to support the improvement plan.

The Chief Internal Auditor thereafter conveyed his gratitude to Angus Council Internal Audit Team and in particular Gordon, for providing an informative and detailed Report.

The Chief Social Work Officer also welcomed the Report highlighting that it was a helpful exploration into a technical aspect of the Health and Social Care Partnership Adult service provision.

Having heard from the Chair and the Chief Social Work Officer in relation to the issues around systems and the need for the whole systems to be part of the improvement journey going forward, highlighting that whilst the focus was on adult services, it was noted that this was a cross-cutting issue that would require a number of individuals to be involved to take it to the next iteration. Following a question from the Chair, the Chief Social Work Officer confirmed that the Corporate Leadership Team were aware of the review, and a corporate approach to the improvement would be taken.

The Chief Finance Officer provided an update in terms of the timescales, the multi-disciplinary working group and also in terms of going forward, confirmed that he would be meeting with the Director of Finance, Angus Council, at the end of June.

In response to the Chair's question relating to recommendation (ii) (d), the Chief Finance Officer advised that an update would be brought forward in the Internal Audit Follow-Up Reports presented to the IJB Audit Committee meetings.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the findings of the Report as outlined in Appendix 1 to the Report; and
- (ii) to request:-
  - (a) a further review of the Report output by Angus Health and Social Care Partnership Charging Group and Angus Council;
  - (b) the development of a resourced improvement plan with agreed timelines and leadership and support from Angus Integration Joint Board and Angus Council;
  - (c) to the progression of the agreed Improvement Plan; and
  - (d) to note that recommendations (a) to (c) would be monitored as part of regular Reports to the Audit Committee.

## **16. 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 on Wednesday 29 September at 12 noon.