



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 8 DECEMBER 2021**

**2020 / 21 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 2020 / 21 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 and to request an update with regard to progress at its next meeting.

**2. BACKGROUND**

The September 2021 meeting of the IJB's Audit Committee considered the IJB's External Auditor's 2020/21 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 some of these matters are not yet concluded it proposed to provide a further update to the IJB Audit Committee at its next meeting.

**3. PROPOSALS**

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

**4. EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment is not required.

**5. 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.

<b>Direction Required to Angus Council, NHS Tayside or Both</b>	<b>Direction to:</b>	
	No Direction Required	x
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

**REPORT AUTHOR: Alexander Berry, Chief Finance Officer**

**E-mail details: [tay.angushscp@nhs.scot](mailto:tay.angushscp@nhs.scot)**

List of Appendices:

Appendix 1 – Annual Audit report – Action Plan Update – December 2021

**ANGUS INTEGRATION JOINT BOARD 2020/21 ANNUAL AUDIT REPORT  
ACTION PLAN UPDATE – DECEMBER 2021**

No.	Issue/risk	Recommendation	Agreed management action/timing	Update
1	<p><b>Financial Sustainability</b></p> <p>The Strategic Financial Plan 2021/22 – 2023/24 identifies a recurring funding shortfall of £4.493 million by 2023/24. Angus IJB continues to face significant financial pressures and must identify further sustainable savings measures. Risk – The IJB’s operating model is not financially sustainable</p>	<p>Angus IJB must continue to review service delivery models to support the identification and delivery of recurring savings to ensure financial sustainability.</p>	<p>Angus IJB will continue to progress existing planned interventions. The IJB accepts the need to further develop plans to close out financial shortfalls. The IJB will present an updated medium term financial plan, intended to address these shortfalls, to its December 2021 Board meeting.</p> <p>Chief Officer/ Chief Finance Officer December 2021</p>	<p>Behind target.</p> <p>The IJB will receive an interim update re financial planning in December 2021, with fuller updates due to the IJB in February 2022 and April 2022. The delay is partly attributable to the longer term impacts of COVID-19 responses and is explained in IJB reports.</p> <p>The IJB does continue to progress components of the development of its Strategic Financial Plan.</p>
2	<p><b>Integration Scheme</b></p> <p>The Integration Scheme of Angus IJB requires to be updated every five years and, due to the Covid-19 pandemic, is now past due. Risk – The Integration Scheme may not accurately reflect the current position.</p>	<p>Angus IJB should work with its partners, NHS Tayside and Angus Council, to complete the revisions to the Integration Scheme to define and support the future delivery of services.</p>	<p>Angus IJB will work with its partners to conclude the review of the Integration Scheme.</p> <p>Chief Officer March 2022</p>	<p>On target.</p> <p>Angus IJB continues to work with its partners to progress the review of the integration scheme. The project group is finalising the wording of the final draft scheme to go forward to the Chief Executives group and then onto NHS Tayside Board and Local Authorities for approval prior to public consultation. This is expected to take place in February.</p>

No.	Issue/risk	Recommendation	Agreed management action/timing	Update
3	<p><b>Governance</b></p> <p>A number of governance documents (Financial Regulations, Scheme of Delegation, Equalities Mainstreaming Report) are not up to date or available on the website. Risk – The governance documentation of the IJB does not reflect the current arrangements.</p>	<p>Angus IJB should ensure that key governance documents are up to date and available to the public.</p>	<p>Regarding the Equalities Mainstreaming Report, the IJB acknowledges this needs to be updated and will progress this in near future.</p> <p>Chief Officer December 2021</p> <p>The IJB will develop a timeline to refresh key governance documents and, once progressed, ensure documents are accessible on the IJB's web sites.</p> <p>Chief Officer/ Chief Finance Officer March 2022</p>	<p>Behind Target</p> <p>Due to capacity issues the IJB has not yet updated its equalities Mainstreaming Report.</p> <p>Limited Progress</p> <p>As per above, due to capacity issues this has only been progressed to a limited extent so far.</p>
4	<p><b>Senior roles should be filled as soon as practicable</b></p> <p>Angus IJB operated for nearly 18 months with an Interim Chief Officer. This had a knock-on impact with the need to back fill senior positions. Risk – Angus IJB could have lost key senior management expertise.</p>	<p>The IJB and its partners should develop plans to ensure that all senior management roles are permanently filled in a timely manner.</p>	<p>The IJB will seek assurances from its partners that any future appointment to the Chief Officer role will be filled in a timely manner. The IJB will ensure all other senior roles are filled in a timely manner.</p> <p>Chair of IJB / Chief Officer December 2021</p>	<p>Complete</p> <p>Chair of IJB has written to the IJB's partners to ensure early future appointment to any Chief Officer vacancy.</p>
(2019/20)	<p><b>Follow-up of prior year recommendations</b></p>			
5	<p><b>Financial Sustainability</b></p> <p>While the IJB reported an underspend this year 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</p>	<p>The IJB should ensure that detailed savings plans are developed to address the recurring financial shortfall identified in the Strategic Financial Plan.</p>	<p>The Strategic Finance Plan has been updated in 2020/21 and a revised plan was presented to the Board meeting in December 2020.</p> <p>See Recommendation 1 above</p>	<p>Included within 2020/21 update.</p>

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	<p>£6.6 million by 2022/23. The IJB approved a proposal to increase the contingency Reserve held from 2% to 2.5% in April 2020 (increase from £3.4 million to £4.5 million). 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>			