

FTF Internal Audit Service

Angus IJB Internal Audit Service Annual Internal Audit Report 2021/2022

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Angus Integration Joint Board Audit Committee
External Audit

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INTRODUCTION AND CONCLUSION

1. The Integrated Resources Advisory Group (IRAG) guidance outlines the responsibility of the Integration Joint Board (the IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of arrangements for risk management, governance and control of the delegated resources.
2. This guidance states that the IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control.
3. Guidance issued in April 2017 requires IJBs to prepare their annual accounts and governance statements in accordance with Local Authority Accounts (Scotland) Regulations 2014. These regulations require an authority to:
 - i) *Be responsible for ensuring that the financial management of the authority is adequate and effective and that the authority has a sound system of internal control which:*
 - (a) *facilitates the effective exercise of the authority's functions; and*
 - (b) *includes arrangements for the management of risk.*
 - ii) *Conduct a review at least once in each financial year of the effectiveness of its internal control.*
4. The CIPFA 'Delivering Good Governance' in Local Government Framework 2016 places a responsibility on the authority to ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
5. This review examined the framework in place during the financial year 2021/2022 to provide assurance to the Chief Officer, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the IJB's objectives. It considered:
 - *Corporate Governance*
 - *Clinical Governance*
 - *Staff Governance*
 - *Financial Governance*
 - *Information Governance*
6. The results from this work reported within this 2021/22 Annual Internal Audit Report should inform the IJB's judgment on the Governance Statement.
7. Many of our previous Annual Reports have highlighted a number of intractable, long standing issues. These also featured in the IJB's Governance Statement and governance improvement plans. It was intended that many of these were to be addressed as part of the review and update of the Integration Scheme(s). Whilst the new scheme more clearly articulates the operational management responsibilities, contributing to the clarification of governance and accountability arrangements; the review process did not necessarily provide the opportunity to agree practical processes which would fully resolve many of the other areas previously identified as concerns such as Large Hospital Set Aside (LHSA), Corporate Support arrangements and Hosted Services which now still

need to be addressed. Whilst the IJB is reliant on engagement from partner bodies to further progress in these areas, the organisation needs to ensure momentum is maintained.

8. Similar themes echoed in reports issued by Audit Scotland as well as in the 2019 Ministerial Steering Group (MSG) in their report on 'Review of Progress with Integration of Health and Social Care'. Although good progress has been made with only 4 actions outstanding, these include Large Hospital Set Aside (LHSA) and corporate support arrangements as well as financial planning and joint job descriptions/ recruitment. It is not clear that the momentum which the MSG report was intended to generate to resolve issues across partner bodies has been maintained and there is no agreed date for further self assessment to measure improvement. MSG improvement actions are reliant on all partner bodies to agree and action and engagement by all partners will be crucial in enabling identified weaknesses to be resolved.
9. Following the approval of the new IJB Risk Management Strategy in April 2021, Angus IJB has continued to develop its Risk Management arrangements. The next stage will be to ensure that comprehensive assurance processes over these risks, including controls and actions operated and implemented by partner bodies are in place and we would recommend consideration of relevant aspects of the FTF Committee Assurance principles as part of this process.
10. Our follow up work showed that of the 5 recommendations from our 2020/21 Annual Report, one has been addressed (Whistleblowing) and one is considered no longer relevant as it duplicated previous recommendations still being monitored in relation to the individual issues (LHSA/ Corporate Support/ Hosted Services). Some progress has been made against the recommendation on strategic planning whilst competing priorities have meant that the work to address the remaining two recommendations (Assurance on risks and performance reporting linked to risks) has been deferred. Whilst this report does not reiterate or make further recommendations in these areas, these actions remain important enablers for focus on the delivery of key organisational objectives, the mitigation of risk and effective assurance.
11. The Angus IJB is in an interdependent relationship with both partner bodies in which the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement concludes that *'with the ongoing improvement work undertaken throughout the year, as evidenced [in the statement] the governance framework, the assurances and evidence received from the Board's committees, that corporate governance continues to be strengthened and was operating effectively throughout the financial year ended 31 March, 2022'*. Angus Council has drafted a Governance Statement for 2021/22 which concludes that *'reasonable assurance can be placed upon the adequacy and effectiveness of Angus Council's systems of governance and that the annual review demonstrates compliance with the core principles of good governance'*. In addition, the draft Angus Council Annual Internal Audit Report concluded that *'the Council has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money'*.
12. Whilst both statements contain some issues which are of interest to the IJB, neither would give rise to any requirement for consideration in the IJB's Governance Statement. As included in the workplan for the Audit Committee, plans are in place to share information on partner assurances at the August 2022 meeting before the audited accounts are signed off.

13. The IJB has produced a draft Governance Statement for 2021/22 which reflects the IJB's own assessment for areas for development, setting out several actions to further strengthen governance arrangements. These are generally complex areas which have remained outstanding for a number of years and depend on the input of partner bodies.
14. 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 2021/22.
15. Based on the work undertaken, I have concluded that:

- **Reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2021/22.**

16. 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.**

ACTION

17. The IJB is asked to note this report in evaluating the internal control environment for 2021/22 and consider any actions to be taken on the issues reported for consideration.

INTERNAL CONTROL

18. Following a meeting of Angus IJB in March 2016, FTF were appointed as the IJB's Internal Audit Service. The Audit Committee has approved the Internal Audit Charter, which is reviewed annually, as well as a protocol for the sharing of audit outputs between the partner organisations. We can confirm that FTF complies with the Public Sector Internal Audit Standards (PSIAS).
19. During 2018/19 the NHS Tayside Internal Audit Service was externally quality assessed by the Institute of Internal Auditors and concluded that FTF generally conforms to the International Professional Practice Framework (IPPF). All actions arising from this review are now complete. For Angus Council Internal Audit, although an external quality assessment was delayed due to Covid, an external quality assurance review was undertaken in 2020 and reported to the Angus Council Scrutiny & Audit Committee in January 2021, concluding that the service fully or generally complies. Progress has been made against the 2 improvement actions which arose.
20. The 2021/22 internal audit plan was approved by the IJB Audit Committee in June 2021. Audit work undertaken in partnership with the Angus Council Internal Audit Service has been sufficient to allow the Chief Internal Auditor to provide his formal opinion on the adequacy and effectiveness of internal controls.
21. To inform our assessment of the internal control framework, we developed a self assessment governance checklist for completion by management. The checklist was based on requirements of the Integration Scheme, guidance issued by the Scottish Government to support Health and Social Care Integration and best practice. It was also cross referenced to the requirements of the CIPFA 'Delivering Good Governance in Local Government Framework 2016' and supporting guidance notes for Scottish Authorities.

22. Internal Audit validated the assessments reached through discussion with management and examination of the supporting evidence and documentation. Based on our validation work, we can provide assurance on the following key arrangements in place at 31 March 2022; any ongoing developments and also comment on where further development is needed in 2022/23.

Our evaluation of the IJB's Governance Framework is summarised below:

A – Corporate Governance
A1 – Key arrangements in place as at year end 2021/22 as well as planned and ongoing developments
<p>Response to Covid19</p> <p>I. Governance arrangements were not impacted by Covid during the year. Updates on Covid19 and Angus IJB's response to it, were provided to the IJB at their August and December 2021 meetings as well as an update provided directly to members in January 2022.</p> <p>Strategy</p> <p>II. At its meeting in August 2021, the IJB approved an extension to the deadline for the completion of the new Strategic Commissioning Plan (SCP) to 31 March 2023. Updates on progress were provided in December 2021, and will again be provided in June 2022, outlining the work undertaken by the Strategic Planning Group (SPG) and their future plans for the development of the next Strategic Commissioning Plan. Strategic needs assessment work has been undertaken and the SPG has started to consider priority actions for the next Strategic Commissioning Plan, with an early indication that the existing 4 priorities remain valid but the work to deliver on them will change. The SPG also held a development event about the next iteration of the SCP and this included reference to the recommendations made by Internal Audit in our 2020/21 Annual Internal Audit report.</p> <p>III. Given the scale of changes to demand, operations and availability of resources, this work will be fundamental to the future sustainability of services, and should be an area of focus for the IJB Board, notwithstanding the many operational pressures that may arise. The IJB will need to balance the very serious risks posed by the current operational pressures, with the potentially existential risks to services created by the demographic and workforce pressures which were already threatening sustainability, even before Covid both exacerbated those pressures and created a range of new difficulties.</p> <p>IV. The SGHSCD issued the 'NHS Recovery plan' on 25th August 2021. The recent Audit Scotland report 'NHS in Scotland 2021' stated that <i>'The ambitions in the plan will be stretching and difficult to deliver against the competing demands of the pandemic and an increasing number of other policy initiatives. The recovery plan will involve new ways of delivering services and these will take a lot of work. There is not enough detail in the plan to determine whether ambitions can be achieved in the timescales set out.'</i></p> <p>V. Whilst the IJB will need to be cognisant of SG ambitions, its priority must be the production of a realistic, achievable strategy which addresses the needs of the local population post-Covid within the parameters of available resources, most particularly financial, digital and workforce. This will almost inevitably involve extremely difficult decisions, which may not fully align with public or SG expectations.</p> <p>VI. During the Covid pandemic, there was a necessary shift of focus towards operational priorities, which reflected the extreme risks in those areas as well as</p>

an influx of Covid related funding which lessened the immediate financial risk. In future, the risks related to financial sustainability are likely to rise sharply and rapidly. Consideration of the changes in culture required to adapt to this change should start now.

- VII. FTF have recently prepared a Strategy development checklist which expands on the 5 Ps: Principles, Process, Priorities, Parameters and Product. It may be helpful for the IJB to self-assess against the FTF Strategy principles as part of their planning process.
- VIII. The updates provided to the IJB also include summary progress reports in a narrative format on the range of change programmes within the overall Angus Care Model as well as the strategic financial plan and workforce plan as essential enablers of these programmes. Individual reports on several of the change programmes referenced in these overall papers also provided more detail to IJB members. More detailed operational monitoring of the individual delivery plans of these programmes takes place at the Angus Care Model Management Delivery Team.
- IX. The IJB in February 2021 noted and supported the remobilisation plan for Angus Health and Social Care Partnership for April 2021 to March 2022. A progress update was provided in April 2022, showing the status of the actions and asking for approval to no longer maintain a separate Covid19 remobilisation plan and reflect the remaining remobilisation priorities in the Partnership's strategic and commissioning plans (overarching and care group specific) and individual service plans.
- X. Whilst the priorities may remain extant, the risks to their achievement, the nature and understanding of population need and the environment in which they must be delivered, have all changed dramatically and it is very likely that difficult choices will need to be made, not all of which may accord with public and SG expectations.

Performance

- XI. Current arrangements for performance monitoring in Angus IJB provide for biannual reports. The IJB received its annual performance report for 2020/21 in June 2021, showing performance on measures linked to the 4 strategic priorities.
- XII. A midyear update was provided in February 2022 and showed that operational performance has been challenging with 11 out of 20 measures not on track and we note that where the targets have not been achieved, further improvement work is to be captured within improvement/action plans:

Improving Health and Wellbeing:

- 3 out of 4 measures are on track (prescriptions for hypertension, diabetes and anxiety/depression- (Albeit with a deteriorating trend/ decline in performance)
- 1 out of 4 measures are greater than 5% variance against the target/trajectory (telecare use)
- A further 3 indicators have no target set but show either improvement (Falls) or deterioration (breaks and respite)

Supporting Care Needs at Home:

- 2 out of 5 measures are on track (Drugs & Alcohol waiting times and average age for personal care)
- 3 out of 5 measures are greater than 5% variance against the target/trajectory

(Number of people receiving personal care and rate of personal care hours per population over 65 and per adult population)

Developing Integrated and Enhanced Primary Care and Community Responses

- 3 out of 6 measures are on track (Emergency admissions, rate of care home nights and number of people over 65 in care homes)
- 3 out of 6 measures are greater than 5% variance against the target/trajectory (Emergency bed days, Emergency readmissions, Average length of stay following emergency admission)

Improving Integrated Care Pathways for Priorities in Care

- 2 out of 2 measures are greater than 5% variance against the target/trajectory (both relate to delayed discharges)

- XIII. Previous plans for review of internal structures and further consideration of how performance can be better reported and monitored throughout the year have not progressed in year due to competing demands. It is still intended to establish a committee with oversight of performance and resources issues as well as an operational performance management group. We previously recommended a rounded view of overall performance, financial sustainability and progress in implementing the priorities set out in the Strategic Plan, linked to assurance on strategic risks and that performance reports should, where possible, be increasingly related to specific risks and should contain a conclusion on whether the performance reports indicate that controls are operating effectively to mitigate the risk as intended. These actions are even more important in the current context, and we will continue to monitor them through the Follow Up reports provided to the Audit Committee.

Governance Arrangements

- XIV. The Audit Committee met on 4 occasions during 2021/22. The Audit Committee continued to receive updates at each of its meetings on progress with audit recommendations and governance actions. At their December 2021 meeting, Audit Committee members noted the constraints with regard to progressing governance improvement and supported a review of outstanding governance actions being taken forward in conjunction with the IJB's Internal Auditors. This review was undertaken and the outcome reported to the April 2022 Audit Committee.
- XV. Following a decision by the April 2021 IJB, the Audit Committee also has responsibility for monitoring progress against the Angus response to proposals from the MSG, with the most recent update showing that good progress has been made in delivering the action plan. Of the 57 actions set out in the MSG Action Plan, only 4 of the most intractable issues remain to be completed: LHSA, Corporate Support arrangements, Financial Planning and joint job descriptions/recruitment.

Hosted Services (Lead Partner Arrangements)

- XVI. The updated Integration Scheme refers to Hosted services as Lead Partner Services where the Lead Partner Chief Officer co-ordinates strategic planning and has operational responsibility for those services. The new Scheme will require them to seek approval from all IJBs on proposed strategy and to provide reports on those services to other IJBs at least in every 3 year planning period.
- XVII. We have been informed that discussions have commenced with the Heads of Service across all three HSCPs to develop a framework and structure, possibly

through establishing a Strategic Commissioning Group for hosted services. Assurances in this area have required improvement for some time and the new reporting arrangements should be implemented as soon as possible.

Review of Integration Scheme

- XVIII. A review has been carried out during 2021/22 and the Tayside Chief Executives Group has now reached agreement on a draft integration scheme for each local authority area that has been subject to public consultation as required by legislation. The Chief Finance Officer worked with members of the Integration Joint Board to agree and submit a response on their behalf. Subsequent to the consultation, required amendments will be proposed to the Tayside Chief Executives before final drafts are submitted to Dundee City Council and NHS Tayside for approval for submission to the Scottish Government in June 2022.
- XIX. We have previously reported that a number of key governance issues were to be addressed through the agreement of a new Integration Scheme between the IJB and its partners. Whilst the new scheme more clearly articulates operational management responsibilities the review process did not resolve many of the other areas previously identified as concerns, including Large Hospital Set Aside (LHSA) and Corporate Support arrangements which now still need to be addressed. Whilst the IJB is reliant on engagement from partner bodies to further progress in these areas, the organisation needs to ensure momentum is maintained.
- XX. Review and update of the IJB's Standing Orders and Financial Regulations to incorporate changes to governance arrangements arising from the updated Integration Scheme will begin following formal approval of the new scheme.

Directions

- XXI. Directions issued to partners are not currently monitored. A draft Directions Policy & Procedure is being considered as an associated document with the revised Integration Scheme. This Policy seeks to enhance governance, transparency and accountability between the IJBs, Local Authorities and NHS Tayside, by clarifying responsibilities and relationships to address the statutory guidance issued in 2020 in response to the proposals of the Ministerial Strategic Group (MSG) Health and Community Care Review of Progress with Integration. The proposed draft policy includes a section on monitoring of directions.
- XXII. The draft policy also includes a list of 'performance and effectiveness controls' but this makes no reference to clinical and care governance, which should also be a key component in the formation of IJB directions, and one that requires careful consideration.

Risk Management

- XXIII. Of the 6 actions agreed as part of the Internal Audit Risk Maturity Assessment (AN05/20), 3 are still outstanding (risk appetite, training for members, assurance over risks on hosted services) although progress continues to be made, with work underway in relation to hosted (lead partner) services. The Chief Internal Auditor gave a presentation on risk appetite to a Board Development Event following which a Risk appetite statement was to be developed. The timescale and next steps are still to be confirmed with an update report expected to a future IJB Audit Committee during 2022/23.
- XXIV. Monitoring of the organisation's risk profile is delegated to the CCPG who

regularly review the Board Assurance Framework documents for each strategic risk with every second monthly meeting dedicated to risk. The CCPG provides a midyear risk management update and annual assurance report to the Audit Committee. However, there is currently no direct reporting to the IJB on its risk profile; nor direct, overt assurance on each of its strategic risks to the IJB. An action to address this area was agreed as part of our 2020/21 annual report but currently remains outstanding due to the demands on management.

Risk	Current score (March 2022)	Previous score (March 2021)	
Sustainability of Primary Care Services	25	25	→
Prescribing Management	16	16	→
Effective Financial Management	20	20	→
Workforce Optimisation	20	20	→
Commissioned Service Provider Failure	20	9	↑
European Union Withdrawal	Archived	9	↓
Insufficient Corporate Support Capacity	Archived	9	↓
Adult Support & Protection	16	12	↑
Storage of Paper records	Archived	12	↓
Non-integration of Adverse event, risk management and complaints	12	12	→
Incorrect Patient Contact Details	Archived	15	↓
Implementation of Strategic Planning Priorities	16	12	↑
Project Performance reporting	Archived	6	↓
Withdrawal of Roche Glucose Nano Meter	16	New risk	↑

Best Value

XXV. A self assessment against Audit Scotland “Auditing Best Value - Integration Joint Boards” (March 2018) was completed by Angus IJB for 2020/21 and will be repeated for 2021/22. The IJB plans to rely on the assurances provided by the partner bodies’ Governance Statements which make reference to their Best Value arrangements.

Communication and Engagement

XXVI. Angus IJB recognises communication and engagement as a priority area for the effective delivery of the Partnership’s strategic plan. The IJB has received annual updates, most recently in October 2021, on progress with the Communication and Engagement Plan October 2020 - September 2021. Strategic planning updates to the IJB have also included plans for public consultation on the content of the future Strategic Commissioning Plan.

Feeley report

XXVII. The Independent Review of Adult Social Care (IRASC) report (the Feeley report) was published by the Scottish Government on February 2021. The April 2021 Audit Committee was informed of its publication and that it ‘could have significant implications for Angus IJB, depending on subsequent legislation. Further information is awaited from the Scottish Government on the next steps.

Category 1 responders/ business continuity

XXVIII. IJBs are now Category 1 Responder bodies, and management development

session was held for management on the responsibilities this entails. Managerial leads have confirmed that Business Continuity Plans have been reviewed and are in place for all services, but still require further in the context of the pandemic and the change to category 1 responder status. Following the assessment of compliance against the Civil Contingencies Act, we recommend the IJB formulate a work plan in order to clearly articulate their role and responsibilities, what they are required to do, with priorities, targets and a mechanism for reporting and escalation.

B – Clinical Governance, Staff Governance, Financial Governance, Information Governance

Key arrangements in place as at year end 2021/22 as well as planned and ongoing developments

B1 Clinical:

- I. Angus HSCP, through the work of the Clinical, Care & Professional Governance Group alongside Dundee HSCP and Perth & Kinross HSCP, provide regular, high quality clinical and care governance assurance reports to the NHS Tayside Care Governance Committee; reporting has further improved through improved standard templates.
- II. The Angus Clinical, Care and Professional Group will provide its annual assurance report for 2021/22 to the June 2022 IJB. We previously reported that consideration was being given to more regular direct reports to the IJB on clinical and care governance and linked to our recommendation on risk assurance reporting. Reporting is now directly to the IJB but on an annual basis FTF Integration Governance principles set out that independent oversight is a fundamental component of clinical governance assurance; this should include oversight from independent non-executives/councillors/voting members at an appropriate level based on robust, relevant and reliable data. Management should set out how IJB members will receive more frequent information on clinical and care governance.
- III. An Angus IJB Complaints Handling Procedure is in place with output shared with the CCPG. This policy has been reviewed and a new draft integrated procedure is being developed. This draft is still under review to streamline, avoid duplication and ensure appropriate escalation. Evaluation of complaints is discussed at the CCPG, looking at themes and lessons learned.
- IV. In October 2021 the IJB received the Chief Social Work Officer's Annual Report for 2020/21, which draws on a range of performance information, as well as external and internal evaluation and engagement activities including summary of performance, service quality and performance, finance, workforce and priorities for recovery in response to Covid19. However, whilst not an IJB report, as previously noted in Angus and elsewhere, the report follows the standard national template and therefore does not include an overall conclusion on the adequacy and effectiveness of arrangements for the quality and safety of care.
- V. In February 2022, the IJB noted the Angus Adult Protection Committee Annual report 2020-21 (previously biennial as required by legislation) as well as the key trends and areas for development shown in the report. At a special meeting also in February 2022, Angus IJB noted the report on note the Adult Protection

<p>Committee Significant Case Review P19, detailing 59 recommendations assigned to a range of agencies including Angus Health and Social Care Partnership. The IJB was informed that the Adult Protection Committee was overseeing the improvement action work through a mandated subgroup, as per local and national procedure. A further report detailing progress against the actions is planned to come to Angus IJB in autumn 2022.</p> <p>VI. Alongside regular updates throughout the year on Mental Health strategy and services, the IJB also received progress reports on the Listen, Learn, Change actions arising from the Strang report, the Independent inquiry into Mental Health Services in Tayside.</p> <p>VII. Primary Care is the highest risk for Angus IJB. Reports on the Primary Care Improvement Plan were provided during the year. Internal audit report AN05/22 Sustainability of Primary Care will make recommendations on the risk, controls and assurance as well as structures and reporting lines.</p>
<p>B2 Staff:</p>
<p>I. Workforce is rated as a Priority 1 strategic risk for Angus IJB, reflecting the extreme pressures on workforce, both now and in the future. A previous version of the Workforce Plan was first approved by the IJB in August 2020, with an annual update report provided in August 2021. This showed some delays due to the pandemic in implementing the six actions from the implementation plan. The Scottish Government has deferred the deadline for submission for an (updated) IJB workforce plan to July 2022.</p> <p>II. The Scottish Government issued further guidance for the completion of local plans, and published a national workforce strategy in the interim, which AHSCP will need to take account of. We have been informed that a Workforce Action Plan to mitigate workforce risks is to accompany the new Angus HSCP Workforce Plan due to be submitted to the IJB in June 2022. The National Workforce Strategy for Health and Social Care in Scotland was published in March 2022. The risk profile of the national strategy is not available, but our assessment would be that a number of assumptions within the document are very high risk.</p> <p>III. As noted under the Risk management section above, the IJB does not currently receive direct overt assurance reports on each of its strategic risks. An action to address this was agreed as part of the 2020/21 Annual Internal Audit report and included reference to the need that some of these assurances may have to be provided by the partner bodies. This is of particular importance in relation to the Workforce risk, which is fundamental to the sustainable delivery of services and where the IJB will be heavily reliant on partners for the delivery of its workforce strategy.</p> <p>IV. Progress has been made in agreeing reporting processes for Whistleblowing through the Staff Partnership Forum, with the output to be noted in the annual workforce update report to the IJB and lessons learned to be considered at the Workforce Steering group.</p>
<p>B3 Finance:</p>
<p>I. Strategic Risk 3 'Failure to develop and implement a balanced financial plan will lead to a risk of unsustainable services' has remained a priority 1 red risk, with the rationale that <i>'as ultimately the IJB may have to further amend overall</i></p>

service provision and the Strategic Plan, thereby effecting all planning and all service delivery, to ensure the delivery of a breakeven budget’.

- II. Each meeting of the IJB receives a Finance report including a risk assessment, savings progress, reserves update, and a forecast outturn position. In 2021/22, this has continued to include a section on the financial impact of Covid19, although a number of uncertainties remain. An underlying net underspend had been forecast throughout the year, with the year end management accounts position reported as a net underlying underspend of £3.890m. The financial accounting (rather than management accounting as above) position as reported in the annual accounts shows a larger underspend of £18m for the year, to be carried forward as a significant movement in reserves; with the total increasing from c.£17.4m at 2020/21 year end to c£35.5m. Of this around £30m relates to earmarked reserves.
- III. Progress with Financial plan interventions (savings/service redesign) remains a significant concern for the IJB, with the organisation forecasting delivery of only circa 39% of the 2021/22 recurring savings target and 56% of the 2021/22 planned total. It has previously been agreed that the IJB will streamline the oversight of such projects to ensure that existing planned savings are delivered. Progress has been made in relation to managerial oversight and further proposals regarding reporting to governance level are still under development. This work has been delayed due to Covid.
- IV. The IJB is also kept regularly updated on development of the financial plan and the status of budget settlement discussions with the partners. The overall financial context, especially the long term impact of Covid19, remains complex and uncertain, with a number of pressures impacting on future financial sustainability. However, we welcome the focus on planning for investment to support strategic shifts and re-profiling resources to reflect the impact of Covid19 on care delivery. In addition, Angus IJB is investing in its prevention agenda. We were pleased to note that there remains a clear link between the organisation’s strategy and its financial planning and management.
- V. LHSA is instrumental to the strategic shift in the balance of care. This area is one of a number of long-standing complex issues where progress has been difficult. We previously commented that the focus of work to address this should focus on strategic, holistic solutions which allow the transfer of resources to facilitate improvements in services and shifting the balance of care alongside the technical aspects of LHSA. In June 2021, the IJB noted the progress made around a clinically led approach to the development of whole system pathway/Large Hospital Set Aside (LHSA) work. Further progress has been hampered by the fact that data for hospital use has been skewed by the pandemic.
- VI. Financial regulations have been in place since 2016. These now require to be reviewed and updated, and we have been informed that will commence as soon as the new Integration Scheme is formally approved.
- VII. The IJB has highlighted risks regarding financial management support for a number of years. From November 2021, the Finance team for Angus Council (Social Care) has been managerially devolved to the Angus IJB Chief Finance Officer. The improvement has been recognised through the 2021/22 assessment against the role of the Chief Finance Officer (CFO) where the assessment of the adequacy of resources has improved.


B4 Information Governance:


- I. Following the approval in February 2019 of the Angus IJB Records Management Plan and Records Management Policy, a first progress report was submitted to the Keeper of Records in November 2020 and approved in April 2021. No further update has been provided as it is intended to submit a new RMP in 2022 reflecting revised records management arrangements.
- II. In line with the Scottish Information Sharing Toolkit, an IJB Information Sharing Memorandum of Understanding and Supplementary Memorandum of Understanding are in place with the partner bodies. The two memoranda of understanding cover all aspects of information sharing between the three parties. An annual review was completed with the revised MoUs now signed off.
- III. In June 2019, the IJB approved the Information Governance Strategy 2019/22 and Supporting Policies (information security, data protection and access to information). A further report on resources required for implementation was to be provided once negotiations with partners had concluded. This Strategy will now require to be reviewed, taking into account any impact of Covid19. This has not been provided and does not feature in the workplan of the IJB Board.


ACKNOWLEDGEMENT


23. On behalf of the Internal Audit Service I would like to take this opportunity to thank the Chief Officer and Chief Finance Officer of the IJB as well as staff within the partnership for the help and co-operation extended to Internal Audit throughout the year.

A GASKIN, BSc. ACA
Chief Internal Auditor


Action Point Reference 1	
Finding:	
Our Annual Internal Audit Report for 2020/21 contained a recommendation in relation to the development of the next Strategic Commissioning plan. Some progress has been made against this action point but it is not complete. FTF have recently prepared a Strategy development checklist which expands on the 5 Ps: Principles, Process, Priorities, Parameters and Product.	
Audit Recommendation:	
As part of their strategic planning process, it may be helpful for the IJB to self-assess against the FTF Strategy principles.	
Assessment of Risk:	
Our assessment of the above finding is as follows:	
Moderate	 Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.
Management Response/Action:	
The IJB's Strategic Planning Group will consider the FTF Strategy development Checklist at an upcoming meeting.	
Action by:	Date of expected completion:
Head of Service (GB)	31 October 2022

Action Point Reference 2	
Finding:	
There is currently no direct reporting to the IJB on its risk profile; nor direct, overt assurance on each of its strategic risks to the IJB. An action to address this area was agreed as part of our 2020/21 annual report but currently remains outstanding due to the demands on management.	
Audit Recommendation:	
As part of the continued development of its risk management arrangements especially in relation to comprehensive assurance processes over its strategic risks, including controls and actions operated and implemented by partner bodies, we would recommend consideration of relevant aspects of the FTF Committee Assurance principles.	
Assessment of Risk:	
Our assessment of the above finding is as follows:	
Moderate	 Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.
Management Response/Action:	
The IJB's Executive Management Team will consider the FTF Committee Assurance Principles at an upcoming meeting.	
Action by:	Date of expected completion:
Chief Officer	31 October 2022

Action Point Reference 3	
Finding:	
<p>Directions issued to partners are not currently monitored. A draft Directions Policy & Procedure is being considered as an associated document with the revised Integration Scheme. This Policy seeks to enhance governance, transparency and accountability between the IJBs, Local Authorities and NHS Tayside, by clarifying responsibilities and relationships to address the statutory guidance issued in 2020 in response to the proposals of the Ministerial Strategic Group (MSG) Health and Community Care Review of Progress with Integration. The proposed draft policy includes a section on monitoring of directions.</p> <p>The draft policy also includes a list of 'performance and effectiveness controls' but this makes no reference to clinical and care governance, which should also be a key component in the formation of IJB directions, and one that requires careful consideration.</p>	
Audit Recommendation:	
<p>We would reiterate our position that as part of any further developments in this area, consideration should be given as to how clinical and care governance arrangements will feed into the formation of IJB directions.</p>	
Assessment of Risk:	
<p>Our assessment of the above finding is as follows:</p>	
<p>Significant</p>	 <p>Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review.</p>
Management Response/Action:	
<p>Angus IJB to review its Directions Policy and Procedure at the August 2022 IJB and will consider need to reflect clinical and care governance arrangements in that report to the IJB.</p>	
Action by:	Date of expected completion:
Associate Medical Director	31 October 2022





Action Point Reference 4	
Finding:	
<p>IJBs are now Category 1 Responder bodies and we have been informed that a development session was held for management on the responsibilities this entails. Managerial leads have confirmed that Business Continuity Plans have been reviewed and are in place for all services, but still require further in the context of the pandemic and the change to category 1 responder status.</p>	
Audit Recommendation:	
<p>Following the assessment of compliance against the Civil Contingencies Act, we recommend the IJB formulate a work plan in order to clearly articulate their role and responsibilities, what they are required to do, with priorities, targets and a mechanism for reporting and escalation.</p>	
Assessment of Risk:	
<p>Our assessment of the above finding is as follows:</p>	
<p>Moderate</p>	 <p>Weaknesses in design or implementation of controls which contribute to risk mitigation.</p> <p>Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.</p>
Management Response/Action:	
<p>Angus IJB has established a presence on the national Resilience Direct network and is actively represented on both the local and regional resilience partnerships. Business continuity and emergency planning and response resources have been established on the AHSCP Intranet</p> <p>The IJB plans to respond to the requirements of the CCA through 2 workstreams. The first workstream regarding Business Continuity Planning is described in an integrated business continuity planning framework that has been developed and is being rolled out across all IJB service areas by December 2022.</p> <p>The second workstream, focussing on the development and delivery of an integrated emergency planning and response framework, will be completed by March 2023 through the new Angus HSCP Civil Contingencies Steering Group.</p>	
Action by:	Date of expected completion:
Head of Service (JG)	31 March 2023

Action Point Reference 5	
Finding:	
<p>The Angus Clinical, Care and Professional Group will provide its annual assurance report for 2021/22 to the June 2022 IJB. We previously reported that consideration was being given to more regular direct reports to the IJB on clinical and care governance and linked to our recommendation on risk assurance reporting. Reporting is now directly to the IJB but on an annual basis. FTF Integration Governance principles set out that independent oversight is a fundamental component of clinical governance assurance; this should include oversight from independent non-executives/councillors/voting members at an appropriate level based on robust, relevant and reliable data.</p>	
Audit Recommendation:	
<p>Management should set out how IJB members will receive more frequent information on clinical and care governance.</p>	
Assessment of Risk:	
<p>Our assessment of the above finding is as follows:</p>	
<p>Significant</p>	 <p>Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review.</p>
Management Response/Action:	
<p>The IJB will introduce mid-year Clinical, Care and Professional Group reports to the IJB to augment the current annual assurance report.</p>	
Action by:	Date of expected completion:
Associate Medical Director	31 December 2022

Action Point Reference 6	
Finding:	
<p>In June 2019, the IJB approved the Information Governance Strategy 2019/22 and Supporting Policies (information security, data protection and access to information). A further report on resources required for implementation was to be provided once negotiations with partners had concluded. This has not been provided and does not feature in the workplan of the IJB.</p>	
Audit Recommendation:	
<p>This Strategy will now require to be reviewed, taking into account any impact of Covid19.</p>	
Assessment of Risk:	
<p>Our assessment of the above finding is as follows:</p>	
<p>Moderate</p>	 <p>Weaknesses in design or implementation of controls which contribute to risk mitigation.</p> <p>Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.</p>
Management Response/Action:	
<p>Responsibility for oversight of the implementation of the Strategy is delegated to the Clinical, Care, and Professional Governance Forum which receives regular reports on aspects of the strategy.</p> <p>Most of the elements of the strategy have been achieved at no cost to the IJB. One outstanding area remains the issue of interoperability of client data systems across health and social care which has been highlighted in a recent significant case review.</p> <p>The possible resource implications are currently being considered and will be the subject of a forthcoming report to the IJB (target December 2022).</p> <p>The IJB does intend to review progress with the Strategy during 2022/23 with an expectation that the majority of the actions will be complete thereby addressing the original risks identified. This review is scheduled to be completed by March 2023.</p>	
Action by:	Date of expected completion:
Associate Medical Director	31 March 2023

Assessment of Risk

To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:

Risk Assessment	Definition	Total
Fundamental	 <p>Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met.</p>	None
Significant	 <p>Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review.</p>	Two
Moderate	 <p>Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.</p>	Four
Merits attention	 <p>There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.</p>	None