



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 22 JUNE 2022

2021/2022 ANGUS INTEGRATION JOINT BOARD ANNUAL GOVERNANCE STATEMENT

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

This report sets out the Integration Joint Board's (IJB) draft Annual Governance Statement for financial year 2021/22. If approved, this Annual Governance Statement will then be formally included in the IJB's 2021/22 Annual Accounts.

1. RECOMMENDATIONS

It is recommended that the IJB Audit Committee:-

- (i) Considers and approves the IJB's 2021/22 Annual Governance Statement.
- (ii) Authorises the Chair of the IJB's Audit Committee to write to Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB confirming the adequacy and effectiveness of the governance arrangements within Angus IJB for 2021/22, including sharing the latest version of the Annual Governance Statement.
- (iii) Requests that the Chief Finance Officer seek assurances from NHS Tayside, Angus Council, Dundee IJB and Perth & Kinross IJB prior to the next Angus IJB Audit Committee Meeting regarding reliance being placed on the systems of control within these organisations, in the context of the impact on Angus IJB.

2. BACKGROUND

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

The statement describes:-

- The Scope and Responsibility of the IJB.
- The IJB's Governance Framework and Systems of Internal Control.
- The governance impact of COVID-19 within the IJB.
- An update re Mental Health governance arrangements.
- An update re Adult Protection issues.
- An update regarding Income Management issues.
- Development Issues for 2022/23.
- Review of Effectiveness.

It is important to note the following points:-

- The attached draft governance report (appendix 1), once approved, will form part of the unaudited Annual Accounts submitted to the IJB's external auditors.

- Reference is made to reliance being placed on the systems of control within each of NHS Tayside, Angus Council, Dundee IJB and Perth & Kinross IJB. In due course, and prior to the next Angus IJB Audit Committee Meeting, assurances will be sought from Partners re these internal controls and their adequacy and effectiveness.
- Reference is made to views provided by the IJB's Internal Auditors. Those views are informed by work undertaken by Internal Audit, as described in the 2021/22 Annual Internal Audit Report (separate report to June 2022 IJB Audit Committee). At the point of writing this report, the Annual Internal Audit Report was still being finalised.
- As noted above, the Annual Governance Statement makes reference to the IJB's reliance on NHS Tayside, Angus Council, Dundee IJB and Perth & Kinross IJB maintaining the effectiveness of their systems of internal control. In turn, Angus IJB is required to provide reassurance to each of Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB regarding Angus IJB's Systems of Internal Control. It is proposed to do this by asking the Chair of the IJB Audit Committee to confirm to these four parties a view as to the adequacy and effectiveness of Angus IJB's systems of internal control. It is suggested that the following wording is shared with the four parties:-

“ASSURANCES PROVIDED BY ANGUS INTEGRATION JOINT BOARD

Angus Integration Joint Board (Angus IJB) has responsibility for delegated services as described in the IJB's Integration Scheme. Since its inception the IJB has had an Audit Committee with devolved responsibility for a range of governance issues including assessing the adequacy and effectiveness of systems of internal control. As Chair of Angus IJB Audit Committee, considering the work undertaken by Angus IJB Audit Committee in the year 2021/22, I can confirm that adequate and effective governance arrangements were in place throughout Angus IJB during the year 2021/22. This is further described in Angus IJB's Annual Governance Statement attached.”

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

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

3. CONCLUSIONS

The IJB's Audit Committee needs to consider and approve the draft Annual Governance Statement and to confirm it is content for the Chair of the IJB Audit Committee to write to Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB providing them with confirmation of the adequacy and effectiveness of the governance arrangements within Angus IJB for 2021/22.

4. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required.

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List of Appendices: Appendix 1: Angus IJB's Draft 2021/22 Governance Statement.

Appendix 1: Angus IJB Draft 2021/22 Governance Statement

Introduction

In October 2015, the Scottish Government approved Angus IJB's Integration Scheme thus formally constituting the Partnership with the intention of it being responsible for services from 1st April 2016. Angus IJB duly assumed responsibility for services from 1st April 2016 and this Governance Statement therefore reflects the responsibilities assumed from 1st April 2016. The IJB's Integration Scheme has been updated since 2015 to allow for amendments to responsibilities. The original Integration Scheme did require to be reviewed after five years (i.e. by September 2020); however, while the review did happen within this timeline the IJB now expects that any revisions to the Integration Scheme will be agreed by Partners by June 2022. Proposed revisions are reflected in a draft updated Integration Scheme have already been subject to public consultation.

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

Scope and Responsibility

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

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

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

The Governance Framework and System of Internal Control

The Board of the IJB comprises voting members, nominated by either NHS Tayside or Angus Council, as well as non-voting members, including a Chief Officer appointed by the Board. Board membership during 2021/22 is documented in the Angus IJB Remuneration Report within the Annual Accounts.

Angus IJB also has an Audit Committee chaired by a member of the IJB and comprising six further IJB members. During 2021/22, the Audit Committee met four times. The Audit Committee conducts its business in line with CIPFA's "Audit Committees: Practical Guidance for Local Authorities and Police" guidance. The Audit Committee's membership at the year-end was as follows: -

Councillor Julie Bell (Chair of Audit Committee, attended 4 of 4 meetings)
Chris Boyle (attended 3 of 4 meetings)
Peter Burke (attended 4 of 4 meetings)
Andrew Jack (attended 4 of 4 meetings)
Kathryn Lindsay (attended 4 of 4 meetings)
Hayley Mearns (attended 2 of 2 meetings)
Peter Davidson (attended 1 of 1 meeting)

During the financial year, Hayley Mearns joined the Audit Committee, and attended her first meeting in September 2021 replacing Graeme Martin. In addition, Peter Davidson also joined the Audit Committee and attended his first meeting in December 2021. Peter Davidson replaced Charlie Sinclair (attended 2 of 2 meetings). Following Councillor Julie Bell's appointment as Vice Chair of the IJB in June 2022, a vacancy now exists on the Audit Committee. The IJB will be working towards filling that vacancy in due course.

The main features of the ongoing governance framework in existence during 2021/22 were:

- Approved Integration Scheme, Scheme of Delegation, Standing Orders and Financial Regulations.
- Bi-monthly public meetings of the IJB, with two additional special meeting of the IJB in November 2021 and February 2022. The requirement to hold additional special meetings does reflect the dynamic environment the IJB is operating in.

- Code of Conduct and Register of Interests for all IJB members.
- Monthly Executive Management Team, noting this group has been meeting more regularly during 2022 and the frequency of future meetings is under consideration.
- Formal bi-monthly Strategic Planning Group overseeing the IJB's Strategic Plan and its implementation and updating.
- Monthly Clinical, Care and Professional Governance forum.
- Bi-monthly Staff Partnership Forum.
- The Audit Committee met four times in 2021/22 with responsibility for agreeing the Annual Internal Audit Plan, considering the results of any external or internal inspections, assessments or audits of the IJB and scrutinising the Annual Accounts and Governance Statement of the IJB. The Audit Committee fulfils its remit in compliance with CIPFA's "Audit Committees – Practical Guidance for Local Authorities and Police".
- Appointment of Fife, Tayside and Forth Valley Management Services as Internal Auditors for the IJB with support from Angus Council Internal Audit.
- Appointment of Audit Scotland as External Auditors originally for financial years 2021/22, with 2021/22 being the final year of a 6-year appointment (noting the original appointment was for 5 years with a one-year extension agreed due to COVID-19). Plans are in the process of being confirmed for the next 5-year period (2022/23 to 2026/27).
- Chief Officer in post for duration of 2021/22, with the role being filled on an interim basis by Gail Smith to August 2021 and Gail Smith permanently fulfilling this role from August 2021.
- Chief Finance Officer in post for the duration of 2021/22 with the Chief Finance Officer having overall responsibility for the IJB's financial arrangements, being professionally qualified and having suitable experience to lead the IJB's finance function and to direct staff. In line with overall Corporate Support arrangements, the Chief Finance Officer is reliant on the finance support (staff and systems) provided by both NHS Tayside and Angus Council. Since 2019/20 responsibility for management of associated NHS finance staff has been devolved to the Chief Finance Officer. Responsibility for management of associated Angus Council finance staff transferred to the Chief Finance Officer in November 2021 facilitating the creation of an integrated finance team.
- High-level review of the "Role of the Chief Finance Officer in Local Government".

The governance framework described above operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2021/22 this included the following:

- adoption of a new IJB Risk Management Strategy in April 2021.
- delivery of the IJB's Performance Reporting Framework.
- provision of regular financial monitoring reports to the IJB.
- provision of regular budget settlement reports.
- provision of regular Strategic Financial Planning reports to the IJB.
- approval and delivery of an Annual Internal Audit Plan.
- The increased adoption of the issuing of "directions" to Partner organisations to describe the in-year decisions of the IJB. This reflects recent Scottish Government guidance.
- implementation of the IJB's Complaints handling procedure, noting improvement work continues to be progressed.
- implementation of Clinical, Care and Professional Governance monitoring arrangements.
- implementation of the IJB's GDPR (General Data Protection Regulation) protocols.
- reliance on the procedures, processes and systems of Partner organisations for which assurance is received from Partner bodies.

As reported to the April 2022, Audit Committee, a number of IJB governance documents need to be refreshed.

The IJB complies with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA publication) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA publication). The Head of Internal Audit reports directly to the Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair and members of the IJB Audit Committee on any matter and the right to submit reports directly to the Audit Committee. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Audit Committee. In 2021/22, the IJB's Audit Committee introduced an annual "private" meeting between the IJB's Internal and External Auditors and the members of the IJB's Audit Committee.

COVID-19

At the start of the pandemic in March 2020, the Health and Social Care Partnership initiated rapid changes in its management arrangements to both address COVID-19 planning and operational issues and maintain governance and internal control requirements. This included developing leadership and command structures led by the Angus Leadership Response Team (LRT). These structures in turn interfaced with similar structures in NHS Tayside and Angus Council. These structures have largely remained in place during 2021/22 with some aspects of arrangements being stepped up or down as the pandemic has transitioned through various phases.

Services have generally continued to successfully manage the pandemic response, particularly during periods of surges in infection rates, whilst at the same time consolidating adaptations to services and practice into mainstream, long-term models of service provision. The enduring nature of the pandemic has meant that recovery activity in many aspects of the Partnership's work has been focused on establishing a 'new normal' across the Partnership rather than returning to pre-pandemic ways of working. This is reflected in the status updates provided against actions within the Remobilisation Implementation Plan shared with the IJB with the majority of plan now either having been completed or becoming embedded as mainstream ways of working.

At the end of 2020, the IJB's Internal Auditors reviewed the functioning of the LRT and the IJB's overall governance arrangements during the first year of the COVID-19 pandemic and they commented that they formed "an overall positive impression opinion of the culture and leadership of the organisation and how its governance and management arrangements responded to the COVID-19 crisis." The Angus LRT had a Terms of Reference and has maintained an Action and Decision Log.

As the pandemic evolved, the IJB's focus moved from immediate responses to an increased focus on remobilisation and recovery. All associated plans were developed through the IJB's LRT and shared with the IJB for information as appropriate. Beyond remobilisation, the IJB has also continued to review its Strategic Commissioning Plan and underlying assumptions. This has resulted in changes to commissioning plans during 2021/22 as described elsewhere.

In 2020/21, and in response to emerging needs and Scottish Government direction, the IJB increased the governance focus within the Care Home and Care at Home sectors. Regular meetings of multi-disciplinary groups were initiated to oversee issues emerging in these sectors, including infection control measures, risk management, provision of PPE, staffing issues, visiting arrangements, quality of care and sustainability of service. These groups have continued throughout 2021/22 and are making a valuable addition to the local clinical and care governance arrangements. It is envisaged that these multi-agency operational groups, which now have a broader focus than just COVID-19 issues, will continue beyond the pandemic.

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

Going forward, and reflecting national guidance, in April 2022 the IJB approved a recommendation that the Partnership no longer maintain a separate COVID-19 remobilisation plan, but that remaining remobilisation priorities are reflected in the Partnership's strategic and commissioning plans (overarching and care group specific) and individual service plans.

Mental Health – Governance Arrangements

Following the production of the "Independent Inquiry into Mental Health Services in Tayside: Trust and Respect", an action plan "Listen. Learn. Change" was produced with an associated strategy and implementation plan. This issue has been the subject of regular IJB discussion throughout 2020/21 and 2021/22.

In March 2020, the Scottish Government confirmed that the operational management for in-patient Mental Health Services in Tayside would transfer from Integration Authorities (Perth and Kinross IJB) to NHS Tayside. This change was accompanied by an increased focus on whole-system working. While operational management arrangements have been revised, strategic responsibility for Mental Health services remains with the IJB. It is reasonable to observe that the new Mental Health governance arrangements (including financial governance) do still need to be refined to ensure a shared collective understanding of remits and responsibilities. This is partly being reflected in the updating of the Integration Scheme and associated documents and it should also be noted that further work is still required regarding developing an associated financial strategy/framework. Further, noting the financial pressures within In

Patient Mental Health Services, discussions are underway with NHS Tayside reviewing future financial accountabilities noting operational and strategic responsibilities, residual due diligence issues, the impact of COVID-19 on services and pressures on service budgets.

Adult Protection

Previous Annual Governance Statements have noted issues with regard to Adult Protection and 2021/22 has seen a continued rise in Adult Protection and Adults with Incapacity work in the Angus HSCP. This increase in activity has created significant demand-capacity challenges in the relevant services, which the Partnership has responded to by providing additional social work and support staff for the care management teams and care at home services.

There is further activity in the area of adult protection overseen by the Angus Adult Protection Committee (AAPC) and the Partnership's Clinical Care Practise Governance Group (CCPG): the implementation of Significant Case Review (SCR) P19 improvement plan (described in report to the February 2022 Special IJB meeting), the Adult Protection Improvement Plan arising from a large-scale audit of Partnership Adult Support and Protection activity, two initial case reviews, and improved training and audit/quality assurance functions. The AAPC and CCPG both have risk frameworks for adult protection, which are reviewed regularly. Adult Protection reports are submitted to the Tayside Chief Officers Group and to the IJB.

Income Management

During 2019/20 the IJB, in conjunction with Angus Council, initiated a review of its overall income management processes to seek to address some emerging operational issues. This work was initially delayed due to COVID-19 issues and resource to address this issue were only identified from early 2021. In June 2021, the IJB's Internal Auditors provided a consultancy-type report on this issue. Since then a working group has met regularly to progress improvements plans. As with a number of similar issues, the progression of these improvement plans has been inhibited due to COVID-19 related capacity constraints but work is in progress.

Development Issues

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

There is no doubt that governance improvements have been deferred since March 2020 due to the impact of COVID-19. This, of course, does not mean current governance standards, as described above, have necessarily slipped and the previous reassurance from Internal Auditors regarding governance arrangements during the first year of the pandemic can still give reassurance in that regard. However, while progress on improvement work generally has stalled, 2021/22 has seen the IJB contribute significantly to the development of the proposed revised Integration Scheme and this will be an important update for the IJB.

In recent years, the IJB's Annual Governance Statement has noted a number of governance "Areas for Improvement". An update is provided as follows: –

Area for Improvement	Lead Officer	Status in 2021/22	Proposals for 2022/23
Development of Large hospital Set Aside arrangements in conjunction with NHS Tayside	Chief Officer/Chief Finance Officer	Limited local progress. Previous reports to the IJB have reflected on current status and future developments. Last report to IJB was in June 2021 and since then progress has been delayed due to COVID-19.	Updates to be provided to IJB Board re both current status and future developments. Continue to progress discussion with NHS Tayside including work through Planned Care and Unscheduled Care Boards. It is anticipated this will be the subject of reports to the IJB in 2022/23.
Development of improved Hosted Services	Chief Officer/Chief	Limited Progress - Finance information now well developed with plans	This requires proportionate improved coordination between all 3 IJBs. IJB intends to develop a

arrangements in conjunction with neighbouring IJBs	Finance Officer	developing to link in in with broader reporting re Hosted Services. An approach to performance reporting for 'hosted' services has been agreed with Dundee and Perth & Kinross HSCPs	consolidated information set regarding locally hosted services covering Finance, Performance and Risks.
Review corporate support arrangements.	Chief Officer	Limited Progress -- This requires resolution between the IJB and its partners. The updated Integration Scheme has not provided a ready-made solution or vehicle for solution to this long-standing issue. Progress has been made in 2021/22 regarding Finance support.	While this remains outstanding the provision of support services continues to be an area of risk and uncertainty for the IJB. The lack of clarity in the Integration Scheme is potentially a missed opportunity and the IJB and partners will have to continue to work together to address this issue as the provision of support services remains outstanding and continues to be an area of risk and uncertainty for the IJB.
Review IJB's overall governance framework	Chief Officer	Good Progress – The draft updated Integration Scheme is now subject to approval by Partners and should provide increased governance clarity.	Await progression by IJB's Partners.
Development of IJB Risk Appetite	Chief Officer	Limited Progress – Was consider in Risk Management development session but capacity to progress has been limited since then.	Updates to be reported to the IJB Audit Committee.
Development of Performance and Resources oversight function.	Chief Officer	Limited Progress – Capacity to develop proposals has been limited.	IJB to revisit proposals during 2022/23.

All the above issues have been noted in previous Annual Governance Statements. The resolution of these issues remains characterised by their complexity and the requirement to work with other parties. The issue of competing demands (particularly during the COVID-19 pandemic) and varying views across parties does remain a challenge. These issues are highlighted regularly to the IJB and the Audit Committee.

The IJB has noted previously that it is looking at reviewing the IJB's committee structure to ensure it is fit for purpose going forward and, for example, to ensure it is best able to provide oversight of approved planned interventions. Again, due to the COVID-19 pandemic, this review has been delayed.

Review of Effectiveness

As noted, the IJB has responsibility for reviewing the effectiveness of its governance structures regularly. Throughout 2021/221 governance updates have been regularly provided to the IJB's Audit Committee. However, reflecting COVID-19 impact, progress with governance improvement has been difficult. The IJB's general view, however, is that current governance arrangements have not been compromised by the impact of COVID-19.

At the end of 2021/22, the IJB's Chief Internal Auditor reviewed the IJB's governance arrangements and in the IJB's 2021/22 Annual Internal Audit report notes: –

- *As Chief Internal Auditor, this Annual Internal Audit Report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2021/22.*
- *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.*
- *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;*

- o *The format and content of the Governance Statement in relation to the relevant guidance;*
- o *The disclosure of all relevant issues.*

While there remain a number of challenging areas of governance (described above in "Development Issues" section), it is the opinion of the IJB Chairperson and Chief Officer that at 31 March 2022, reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements. We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact. Additionally, systems are in place to regularly review and improve the internal control environment.

Emma Jane Wells	Gail Smith
Chairperson	Chief Officer
TBC	TBC