



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 24 AUGUST 2022
ANGUS IJB AUDIT COMMITTEE ANNUAL REPORT 2021/22
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

This Annual Report is provided by the Angus IJB Audit Committee to the Angus IJB. It summarises the work of the IJB Audit Committee during the year 2021/22.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) Approve the Annual Report of the IJB Audit Committee for the year 2021/22; and
- (ii) Acknowledges the input provided to the IJB Audit Committee from IJB Audit Committee members, and those supporting the IJB Audit Committee including Angus Council Legal and Democratic Services and the IJB's Internal and External Auditors.

2. BACKGROUND

Previously it has been agreed that on an annual basis the IJB Audit Committee will provide an Annual Report to the main IJB Board (for example see report 43/21). This annual report will provide a retrospective view of the work undertaken in the year 2021/22.

At the inception of the IJB, and as per report 32/16 (March 2016), the IJB agreed to create a separate IJB Audit Committee with an agreed remit. The constitutional arrangements for the IJB Audit Committee were previously reviewed in February 2020 by the IJB itself in report 3/20. These arrangements are currently subject to separate review by a separate report to the IJB in August 2022. The IJB Audit Committee has met regularly as agreed since 2016 with minutes of the IJB Audit Committee shared with the main IJB Board.

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

“...the remit of the IJB Audit Committee shall be:-

- (i) To agree the Internal Audit Plan for the Integration Joint Board (without further reference to the Integration Joint Board);*
- (ii) To consider the terms of any external or internal Inspections, assessments or audits of the Integration Joint Board with a view to making recommendations to the Integration Joint Board in respect thereof (excepting therefrom external or internal inspections, assessments or audits in respect of clinical and/or care governance); and*
- (iii) To scrutinise and approve the annual accounts and Governance Statements”.*

The IJB's Audit Committee has previously discussed evolving the remit of the Audit Committee to support the overall governance arrangements of the IJB (e.g. risk management and resource issues). The remit of the Audit Committee will still be revisited in due course as part of a wider review of the governance arrangements of the IJB.

Much of the work of the IJB Audit Committee is influenced by the remit of the IJB Audit Committee with an obvious example being work associated with the IJB's Annual Accounts. This example also highlights that the IJB Audit Committee's annual cycle does not evolve around the traditional reporting year (i.e. ending 31st March), but runs behind that by a number of months as the previous year's reviews / reports are concluded after 31st March of any reporting year.

This report describes the issues covered by the IJB Audit Committee in the 12 months to June 2022. It also notes issues that will be discussed at the August 2022 IJB Audit Committee where these reflect 2021/22 issues.

3. CURRENT POSITION

3.1 REPORTS CONSIDERED BY THE IJB AUDIT COMMITTEE – YEAR TO JUNE 2022

The IJB's Audit Committee is scheduled to meet 4 times per annum. This pattern has been in place since the inception of the Committee and is intended to balance the commitments of the members of the Committee and the timeline and breadth of the IJB Audit Committee's remits. Since June 2020, the Committee has met remotely.

Over the period from June 2021 to June 2022, with this period being longer than 1 year to show more than 1 reporting cycle, the Committee considered the following issues: -

Report	June 2021	September 2021	December 2021	April 2022	June 2022
Regular Items					
IJB Audit Committee Action Points	✓	✓	✓	✓	✓
Consideration of External Reports	✓	N/A	N/A	N/A	N/A
Governance Actions Plan	✓	✓	✓	✓	✓
Items related to Year End Assurances and Accounts					
Review of Role of Chief Finance Officer	-	-	-	✓ (21/22)	-
IJB Governance Statement	✓ (20/21)	-	-	-	✓ (21/22)
Assurances Received from Partners	-	✓ (20/21)	-	-	-
IJB Unaudited Annual Accounts	✓ (20/21)	-	-	-	✓ (21/22)
External Audit Plan	-	-	✓ (20/21)	✓ (20/21)	-
Audited Annual Accounts (including External Audit Annual Report)	-	✓ (20/21)	-	-	-
External Audit Annual Report – Review of Actions	-	-	✓ (20/21)	✓ (20/21)	-
Internal Audit					
Annual Internal Audit Plan (Including review of Internal Audit Charter)	✓ (21/22)	-	-	-	✓ (22/23)
Annual Internal Audit Plan – Progress Report	✓	✓	✓	✓	✓
Internal Audit – Follow Up Actions	✓	✓	✓	✓	✓
Annual Internal Audit Report	✓ (20/21)	✓ (20/21 Update)	-	-	✓ (21/22)
Internal Audit report – Governance and Assurance	✓	-	-	-	-
Internal Audit Report – Charging for Services	✓	-	-	-	-

Report	June 2021	September 2021	December 2021	April 2022	June 2022
Annual Items					
Reappointment of Chair and Vice Chair	-	-	✓	-	✓
Review Terms of Reference	-	-	✓ (*)	✓	-
IJB Audit Committee Annual Work Plan	-	-	-	✓ (22/23)	-
Annual IJB Audit Committee Report to IJB	-	-	-	-	-
Annual Review of Governance Documents	-	-	-	✓ (First Review)	-
Risk Management Report (Annual Report and Mid-Year Report)	✓ (20/21)	-	✓ (21/22 Mid-Year)	-	✓ (21/22)
One-Off Items					
Nil in 2021/22	-	-	-	-	-

It can be seen that over a period of more than 1 year, a number of annual activities do re-occur. On that basis a number of issues considered in September 2021 will be on the IJB's Audit Committee agenda for August 2022 (including Assurances Received from Partners, External Audit Annual Report and Audited Accounts).

From the above it can be seen activity includes:-

- 1) Regular items including an "Action Point" Update and consideration of Governance Action Plans;
- 2) Items related to Year End Assurances and Accounts – this includes work towards the approval of the IJB's Annual Accounts;
- 3) Items relating to Internal Audit – including plans, reports and follow up action reports;
- 4) Annual Items including regarding the workings of the Committee; noting the December 2021 review of the Terms of Reference also considered other working arrangements of the Committee.
- 5) One-off items.

Up to June 2021, the IJB Audit Committee received a regular update regarding relevant "External Reports" (i.e. reports by third parties of interest to the IJB). Since 2021, these reports have been shared with all IJB members via a Microsoft Teams channel and will be flagged up in the IJB's Annual Communications Update.

From June 2021, it was agreed that the "Annual Assurance Report – Clinical, Care and Professional Governance" would be submitted directly to the IJB.

In 2021/22, the Audit Committee did not formally consider its "Annual IJB Audit Committee Report to the IJB" as this was shared with the IJB in August 2021. The report was shared with members prior to being shared with the IJB.

The IJB Audit Committee is also committed to at least one annual development session for IJB Audit Committee members. For 2021/22 this took place in February 2022 and is scheduled to be repeated in October 2021.

From September 2021, the Audit Committee has introduced an unminuted annual private meeting between the IJB's Audit Committee members and the IJB's Internal and External Auditors.

3.2 GOVERNANCE ISSUES

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

- Development of large hospital set aside arrangements with NHS Tayside
- Development of improved hosted services arrangements with neighbouring IJBs
- Review of Corporate Support arrangements with Partners

- Review of the IJB's overall governance framework
- Development of IJB's Risk Appetite
- Development of Performance and Resources oversight function

While noting the above, after consideration of a range of information including the IJB's Internal Auditor's Annual report for 2021/22, in June 2022, the IJB Audit Committee approved the IJB's Governance Statement for 2021/22. This concluded that:-

"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."

Taking this into account, alongside the breadth of reports considered during the year, the IJB's Audit Committee concludes that it has fulfilled its remit and, as noted above, reasonable assurance can be placed on the adequacy and effectiveness of the IJB's governance arrangements.

3.3 IJB AUDIT COMMITTEE MEMBERSHIP

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

Since June 2018, Councillor Julie Bell had undertaken the role of chair of the IJB Audit Committee and has fulfilled this role to May 2022. Due to changes in Councillor Bell's role within the IJB, she has now stepped down from the Audit Committee. In June 2022, Andrew Jack, previous Vice Chair, agreed to be the Committee's new Chair. At the same time Kathryn Lindsay agreed to become the Committee's new Vice Chair. These positions are reviewed annually as part of the Committee's Annual Work plan.

The membership of the IJB's Audit Committee is dictated by the IJB Audit Committee's constitution. While membership had been relatively stable in 2020/21, there have been a number of changes in 2021/22. The IJB's Annual Governance Statement, included as part of the IJB's Annual Accounts, routinely documents membership of and attendance at IJB Audit Committee meetings. A copy of the relevant extract of the 2021/22 Governance Statement is included at appendix 1. The vacancy that existed on the Audit Committee at June 2022 has now been filled by Councillor George Meechan.

It is important to note that the constitution of the IJB Audit Committee (as per separate report to the August 2022 IJB), determines that "The membership of the IJB Audit Committee shall be reviewed, re-selected and re-approved by the Integration Joint Board on a three-yearly basis." This three-yearly review last took place in October 2021 and will next take place in 2024.

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

3.4 SUMMARY

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

4. PROPOSALS

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

5. FINANCIAL IMPLICATIONS

No new financial implications reported.

6. RISK

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

7. OTHER IMPLICATIONS

No additional implications reported.

8. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required.

9. DIRECTIONS

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

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

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Appendix 1 – Audit Committee Membership - Extract of Angus IJB's Annual Governance Statement

Audit Committee Membership

Angus IJB also has an Audit Committee chaired by a member of the IJB and comprising 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.