



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 24 AUGUST 2022

INTERNAL AUDIT REPORTS - FOLLOW UP ACTIONS

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

The aim of this paper is to update the Integration Joint Board (IJB) Audit Committee regarding the IJB's progress with meeting the recommendations of Internal Audit reports.

1. RECOMMENDATIONS

It is recommended that the IJB Audit Committee: -

- (i) Notes the report and the progress made to date in terms of delivering the planned response;
- (ii) Requests a progress report on outstanding actions regarding Financial Management (AN07/18) and Risk Management (AN05/20) for December 2022 meeting; and
- (iii) Requests the Lead AHP shares a copy of the Angus Digital Group's agreed Terms of Reference with Audit Committee members separately for reference by end of October 2022.

2. BACKGROUND

2.1 On a regular basis the IJB's Audit Committee receives Internal Audit Final Reports setting out the findings of agreed Internal Audits which contain recommendations for improvements. Those "recommendations" will usually have agreed "management responses" with timelines and associated lead officers. This report provides an update regarding progress with "management responses".

Status updates are provided by Lead Officers, collated in the period prior to an IJB Audit Committee Meeting and could be out of date by the day of the IJB Audit Committee Meeting.

Progress is described using agreed status categories shown below. Note that in all instances, the commentary in the appendix may provide further information.

| Status Category | Explanation of Status |
|--------------------|---|
| TBC | Still "To be confirmed" – e.g. where no information is available. |
| Complete | Action complete. |
| Complete (Ongoing) | Action complete, but with an ongoing requirement. |
| Not Yet Started | Applies to actions not overdue. |
| Limited Progress | Applies to actions not overdue. |
| Good Progress | Applies to actions not overdue. |

| | |
|--|--|
| Overdue (*Not Yet Started/ Limited Progress/Good Progress) | Overdue actions with detail re progress. |
| Superseded | Action superseded or no longer relevant. Commentary will provide clarity. |

Actions that are “complete” will be reported for 2 successive IJB Audit Committees to provide context. Some actions may eventually be superseded by other circumstances, recommendations or actions. Once noted as “Superseded”, actions will not be reported at further IJB Audit Committee Meetings.

2.2 Updates from Respondents

The last Audit Committee agreed to introduce the calling in of respondents where action have remained outstanding for some time. The Chief Finance Officer notified the AHP Lead that issues re Data Quality (information Technology, items 1a/1b) would be called in for August 2022. However, both items have now reached a conclusion (see below). On that basis the respondent has not been called in.

The intention is to call in respondent regarding actions associated with report Financial Management (AN07/18) and report Risk Management (AN05/2) to the December 2022 meeting.

2.3 Actions re report AN05/20 (Risk Management)

An updated Risk Management Strategy was agreed at the IJB’s April 2021 meeting. A development session on this issue was then held in August 2021 but ongoing capacity issues have delayed progress with this. Importantly this includes the development of the IJB’s Risk Appetite. As noted above an update on this action from the respondent will be called into the December 2022 Committee.

2.4 Actions re report AN06/20 (Data Quality)

Progression of some of these improvement actions has been delayed due to COVID-19 response. However, as noted above progress has now been made with regards to 1a/1b through the initiation of the Angus Digital Group. It is recommended that the Lead AHP share a copy of the groups agreed Terms of Reference with Audit Committee members separately for reference.

Progress with other aspects of this will be delayed due to the deferral of the introduction of Eclipse until 2024. This is a significant delay and will have an impact on the IJB, including data quality and issues noted within the internal audit.

2.5 Actions re report AN05/21 (Charging for Services)

As noted previously, only a series of headline actions are captured in this update. Progress is underway however, due to capacity issues, developing initial reviews into a consolidated action plan continues to prove challenging. Funding for time limited project support has now been offered.

2.6 Actions re 2020/21 (Annual Internal Audit Report)

Understandably these recommendations are more wide-ranging but, as with issues noted above, there are overall capacity issues that are delaying progress.

2.7 Actions re 2021/22 (Annual Internal Report)

Many of these actions are new and there is limited feedback on progress with them, with many due dates scheduled for alter in 2022/23.

2.8 The IJB Audit Committee has previously indicated a willingness to intervene or lend support to assist / progress outstanding actions. At the moment, there are no recommended interventions asked of the IJB Audit Committee.

2.9 The IJB Audit Committee should be aware that updates regarding the status of outstanding issues are generally sought directly from lead officers. At times, due to annual leave and capacity constraints, it can be challenging to get updates on all issues. In those instances, updates are provided by the Chief Finance Officer (and noted with an “**”). The IJB now collates updates of progress with outstanding actions between IJB Audit Committee Meetings.

- 2.10 The IJB continues to have a back-log of actions. Most issues that have escalated to “audit actions” are characterised by their complexity and multi-faceted nature. As noted previously, resolution requires capacity across the system to solve issues of this type and currently there isn’t capacity across all parts of the system, concurrently, to resolve a number of issues. The IJB continues to seek to address capacity issues at a number of levels.

3. PROPOSALS

- 3.1 The IJB Audit Committee are asked to note the report and the progress made to date in terms of delivering the planned response.
- 3.2 Request a progress report regarding outstanding actions regarding Financial Management (AN07/18) and Risk Management (AN05/20) for December 2022 meeting.
- 3.3 Requests the Lead AHP shares a copy of the Angus Digital Group’s agreed Terms of Reference with Audit Committee members separately for reference by end of October 2022

4. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required.

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Appendix 1: Angus IJB Internal Audit reports – Follow Up Actions

Angus Integration Joint Board: Internal Audit Reports - Follow-up Action

Appendix 1

| | | | | | | | | Status at Audit Committees | | | |
|-------------------------------------|-----------|--|--|---|---|--|----------------------------|----------------------------|---|--|--|
| IJB Audit Report | Rec. Ref. | Recommendation | Priority | Management Response / Action | Action by | Due Date | Jun-22 | Aug-22 | Impact of Delay | August 2022 - Status - Comment | |
| AN07/18 Financial Management | 2 | It is recommended that the procurement & Commissioning Manager and the Finance Services Manager (Team A) meet to discuss how best to link the contract information to the financial systems in future | Moderate (Note - This is a CFO assessment of this priority.) | The IJB and Procurement and Commissioning Manager agree this work needs progressed and concluded. Further work to reconcile Contracts register with Finance information (e.g. budgets) will be led by Finance Manager and Procurement and Commissioning Manager and reported through the Third Party Providers forum. Note - Action will remain on this list until the 2022/23 report has been issued. | Team Leaders (Procurement / Finance) | Originally Dec. 2018; Revised to Sept. 2022. | Overdue - Limited Progress | Overdue - Limited Progress | Weakened governance | Report to be completed and presented to Third Party meeting in September. Meeting arranged for August for Finance and Procurement to review. | |
| AN05/20 Risk Management | 3 | The Board should formally agree the IJB risk appetite using an agreed methodology and this should be incorporated in to the Risk Policy and Strategy. | Significant | The IJB will consider the development of the IJB's Risk Appetite and incorporate this into a future iteration of the Risk Policy and Strategy. | Head of Service (JG) | Originally Dec. 2020; Revised to Dec.2022 | Overdue - Limited Progress | Overdue - Limited Progress | Weakened governance | Planning underway for risk appetite session similar to that run in NHS Tayside. Planning meeting to be arranged with a view to session taking place early autumn. | |
| AN05/20 | 4 | A formal ongoing training programme/record should be maintained to ensure that all relevant staff, including Board and Audit Committee members, have received risk training. | Merits Attention | The IJB has to keep in mind the time demands on Board members and Audit Committee members, many of whom will also be participants in other forums where risk management is also a feature. Through the IJB's Improvement and Development Team, the IJB will develop and record risk training to ensure that all relevant staff have received risk training. | Head of Service (JG) | Originally Feb.2021; Revised to Dec 2022 | Overdue - Limited Progress | Overdue - Limited Progress | Weakened governance | Risk Management development session has been provided which will be followed up with the above risk appetite session. As part of this, CCPG Coordinator and I&D staff are being recruited to. A record of risk training will be developed and updated. | |
| AN05/20 | 6 | The Angus HSCP Improvement plan should specifically include governance and assurance arrangements required from partners and from IJBs hosting services on behalf of the Angus HSCP. | Significant | As part of the IJB's review of its Risk Management Strategy & Policy, governance and assurance arrangements required from partners and from IJBs hosting services on behalf of the Angus will be addressed. | Head of Service (JG) | Originally Dec. 2020; Revised to Dec.2022 | Overdue (Good Progress) | Overdue (Good Progress) | Reduced ability to share position with other IJBs | Work progressing with other HSCPs following the updated Integration Scheme regarding finance, strategic and governance reporting for hosted services. Proposal currently being developed due for completion August 2022. | |
| AN06/20 Data Quality | 1(a) | Action is required to ensure that in future the needs of all parties (NHST, Local Authority and IJB) are considered when key IT development decisions are being taken and any IT problems that arise due to the unique circumstances of an H&SCP can be discussed and resolved timorously. In addition, the possibility of interfaces sharing information between systems should be explored. As part of an internal audit report for Dundee IJB (D04/19 Information Technology and Governance as enablers of integration) an action was agreed that 2 out of the 4 meetings per year of the Workplace Enablement (WPE) group which has a remit in relation to this work were to include Angus and P&K representation. We would encourage active participation in this work. | Merits Attention | The Partnership will review opportunities for improvement with regard to Information Technology. This will include considering interfaces between systems and reviewing the options to work with Partners and neighbouring IJBs and... | AHP Lead / Integration Improvement Manager | Originally Mar.2021; Revised to August 2022 | Overdue (Good Progress) | Complete | Weakened performance | Draft TOR for Angus Digital Group will be completed/confirmed by meeting members at the first meeting, due to be held in August 2022. Finalised TOR to be shared with audit committee in due course. | |
| | 1(b) | | | (...including participation in the Workplace Enablement (WPE) Group) | AHP Lead | Originally Mar.2021; Revised to August 2022 | Overdue (Good Progress) | Complete | Weakened performance | The Workplace Enablement Group has not been set up Tayside wide. Its function will now be subsumed into the groups noted above. Complete as above. | |
| AN06/20 | 2 | We would therefore recommend that the HSCP receives updates on the progress of both the reconciliation of finance and activity information and the implementation of the Home Care contract monitoring system as well as assurance on staffing capacity to ensure current controls will remain ongoing. | Merits Attention | 1) The Partnership will continue to progress the work to systematically reconcile finance and activity information. | Head of Service (GB) | Originally Mar.2021; Now delayed. To 2024. | Overdue - Limited progress | Overdue - Limited progress | Weakened information governance | Programme Project Board has added a specific risk due to delay in Finance Module implementation. Whilst negotiations are ongoing with OLM, it remains the case that the corrective work on Charging will need to be delivered on CF until Eclipse finance module is available. | |
| | | | | 2) The Partnership will progress the implementation of the Home Care Contract Monitoring system to support invoicing and improved data quality. | Senior Planning Officer (Strategic Relations) | Originally Mar.2021; Revised to August 2022 | Overdue - Good Progress | Overdue - Good Progress | Weakened information governance | No update provided.* | |
| | | | | 3) In addition the Partnership recognises that some data requirements (e.g. actual activity rather than planned activity, Carers activity) are not currently well recorded in data systems and will look to develop this going forward. | Head of Service (GB) | Originally Mar.2021; Now delayed to 2024. | Overdue - Limited progress | Overdue - Limited progress | Weakened information governance | The Partnership reports weekly on unmet need and on planned care at home hours, but is not able, without a new records system, to record the proportion of planned care that is not delivered. This remains dependant on the implementation of the Eclipse (Finance Module). | |

Angus Integration Joint Board: Internal Audit Reports - Follow-up Action

Appendix 1 (Cont.)

| IJB Audit Report | Rec. Ref. | Recommendation | Priority | Management Response / Action | Action by | Due Date | Status at Audit Committees | | | August 2022 - Status - Comment |
|--|-----------|---|----------------------------------|---|--|--|---|---|---------------------|---|
| | | | | | | | Jun-22 | Aug-22 | Impact of Delay | |
| AN05/21 Charging For Services | 2 | This Internal Audit report was of a consultancy nature and did not generate specific set of actions but set out key findings and areas for improvement. This has been translated in to 3 summarised and stepped management actions. | All steps treated as Significant | Development of a resourced improvement plan with agreed timelines and leadership and support from Angus IJB and Angus Council. | Chief Finance Officer/ Angus Council Director of Finance | Originally Dec 2021; Revised to June 2022 | Overdue - Progress being made but scale and complexity of task is significant | Overdue - Progress being made but scale and complexity of task is significant | Weakened governance | Improvement plan is still under development via Working Group. The work is broken into 4 work streams with several overlaps. Mapping existing arrangement has proved to be very complex and time consuming and until recently limited resources in critical areas such as IT systems development has delayed progress. More rapid progress in some work streams is now being made but staffing shortages and other unavoidable work mean progress remains slow. Funding for time limited project support has now been offered. |
| AN05/21 | 3 | | | Progression of the agreed Improvement Plan | | Originally March 2022; Revised to Dec.2022 | Overdue - improvements being identified but overall plan not started yet | Overdue - improvements being identified but overall plan not started yet | Weakened governance | Noting above there has been no changes since previous update - need to finalise assessment, mapping and future state work and begin implementation phase once that work is complete. |
| AN0x/21 Annual Internal Audit Report 2020/21 | 1a | (Abbreviated) The direction of travel for review and revision of the Strategic Commissioning Plan should be documented; Revision of the Strategy should include alignment to the Transformation and Re-mobilisation Plans to support the sustainability of the HSCP in the future. A project plan and timetable should be established to progress this work. There should be effective governance and oversight of this key area so that the IJB can formally scrutinise the arrangements, and in particular approve the principles underlying remobilisation and reconfiguration planning. The IJB should be engaged in all key decisions, and in setting the vision/direction for the next iteration of the plan; | Significant | The IJB will request the IJB's Strategic Planning Group to consider this recommendation and report back to a future Audit Committee (target December 2021) and share its proposals for developing the Strategic plan with the IJB by December 2021. This will form part of the development discussions being held with the IJB's Strategic Planning Group in October 2021. | Head of Service (GB) | Originally Dec 2021; revised to Autumn 2022. | Overdue (Good Progress) | Overdue (Good Progress) | Weakened Planning | SPG on 01/07/22 considered and agreed a draft timeframe for the development of the new SCP and engagement processes with key stakeholders. This will now be finalised. |
| AN0x/21 | 3 | The IJB is developing an annual work plan. Whilst a number of reports are included on a cyclical basis, we would recommend that, to further develop good governance arrangements, an IJB assurance plan could be implemented to ensure assurance on all risks is provided to the IJB, including necessary assurances from partner organisation. The IJB internal audit assurance principles are appended to this report and should be used to inform development of any assurance work plan. As part of the development of the work plan for the IJB, the IJB should consider how it will receive assurance on each of these risks. Some may require to be provided by the partners, to ensure the IJB receives assurance that its strategies and statutory responsibilities are supported by the enabling strategies and governance arrangements of its partners and these are appropriately prioritised, resourced and monitored. | Moderate | The IJB will request the IJB's Executive Management Team to consider this recommendation and report back to a future Audit Committee (target December 2021 as part of the mid-year Risk Management update). This update will set out plans to ensure the IJB receives feedback regarding its strategic risks from appropriate sub-committees or other forums. | Chief Officer and AMD | Originally Dec 2021; revised to Dec 2022. | Overdue (Good Progress) | Overdue (Good Progress) | Weakened Governance | No update provided*. (June update was; Risk Management Development sessions delivered for Angus IJB members and Angus CPPG members. A strategic risk improvement plan is now reported through CCPG with progress on mitigating actions tracked. Risk Management reports to the Audit Committee will include the Angus HSCP strategic risks, and progress with the improvement plan. This will be developed to include the relevant strategic risks of partner organisations in due course. There is also improvement work ongoing with regard to service risk management.) |
| AN0x/21 | 4a | We welcome proposals to establish a committee with oversight of performance and resources issues and would recommend that reporting ensures 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 (see action point 3 above). | Significant | The IJB is already progressing proposals regarding a subcommittee considering performance and resources issues. The Committee principles as appended will be considered as part of developing its approach. | Chief Officer | Originally Dec 2021; revised to Dec 2022. | Overdue - Limited progress | Overdue - Limited progress | Weakened Governance | Ongoing no progress since June 2022. (June update was; Previous intentions to develop a new sub-committee have stalled due to current volume of business (linked to COVID-19). The IJB will revisit these proposals during 2022/23). |
| AN0x/21 | 4b | In the context of our comments on performance monitoring arrangements above, and the development of a Performance & Resources Committee, 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. | Significant | A) The IJB will ask the IJB's CCPG to consider developing performance monitoring that is increasingly linked to the IJB's risk. B) In addition the IJB will consider the development of a performance monitoring forum. | AMD and HoS (JG) | Originally Dec 2021; revised to Dec 2022. | Overdue - Limited progress | Overdue - Limited progress | Weakened Governance | As per June 2022 and above action. (June update was; A) CCPG already monitoring performance through the quality assurance framework; B) IJB has recruited an information analyst post and will establish a performance monitoring group once that post is appointed to). |
| AN0x/21 | 5 | We recommend that the IJB ensures it receives more active assurance in this area through presentation of the partner bodies annual Whistleblowing reports and an annual evaluation of their policies to assure the IJB that there are no gaps and that any concerns raised are appropriately addressed. This may be reported to a subgroup, with the IJB receiving overall assurance that this group has fulfilled its remit. | Merits Attention | The IJB will seek to channel assurances regarding this issue through the IJB's Staff Partnership Forum on an annual basis (Quarter 4 of each year) and in turn reflect this in the Annual Workforce (Plan) report to the IJB. <div style="border: 1px solid black; padding: 5px; width: fit-content;">Note - Although action agreed for 2 meetings, this action will remain on this list until the 2022/23 Workforce report has been issued.</div> | HoS (EM) | Mar-22 & Aug-22 | Complete | Complete | N/A | Whistleblowing policy been discussed at Work Force Steering Group (WFSG) and SLT. Will be tabled at Angus Staff Partnership forum in September 2022 - and any action plans will be reviewed at WFSG - none to date for 22/23. IJB Report 36/22 'Work Force Plan 2022-2025' did not refer to whistleblowing. |

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Appendix 1 (Cont.)

| IJB Audit Report | Rec. Ref. | Recommendation | Priority | Management Response / Action | Action by | Due Date | Status at Audit Committees | | | August 2022 - Status - Comment |
|--|-----------|--|-------------|--|---------------|----------|----------------------------|---------------|-----------------|--|
| | | | | | | | Jun-22 | Aug-22 | Impact of Delay | |
| AN46/22 Annual Internal Audit Report 2021/22 | 1 | As part of the Strategic Planning Process, it may be helpful for the IJB to self-assess against the FTF Strategy principles. | Moderate | The IJB's Strategic Planning Group will consider the FTF Strategy development checklist as an upcoming meeting. | HoS (GB) | Oct-22 | n/a | Good Progress | | Considered at SPG on 01/07/22 and the SPG will apply the checklist as the development of the new SCP proceeds. |
| AN46/22 | 2 | As part of the continued development of the IJBs 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. | Moderate | The IJB's Executive Management Team will consider the FTF Committee Assurance Principles at an upcoming meeting. | Chief Officer | Oct-22 | n/a | n/a | | Work not yet commenced. |
| AN46/22 | 3 | As part of any further developments to the Directions Policy & Procedure, consideration should be given as to how clinical and care governance arrangements will feed into the formation of IJB directions. | Significant | The IJB is to review its Directions Policy & Procedure at the August 2022 IJB and will consider the need to reflect clinical and care governance arrangements in that report to the IJB. | AMD | Oct-22 | n/a | n/a | | No update provided. |
| ANG46/22 | 4a | 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. | Moderate | The IJB plans to respond to the requirements of the CCA through 2 work streams. The first work stream 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. | HoS (JG) | Mar-23 | n/a | n/a | | Steering group to be established and ToR currently being developed. |
| | 4b | | | | | | | | | |
| AN46/22 | 5 | Management should set out how IJB members will receive more frequent information on clinical and care governance. | Significant | The IJB will introduce mid-year Clinical, Care and Professional Group reports to the IJB to augment the current annual assurance report. | AMD | Dec-22 | n/a | n/a | | No update provided. |
| ANG46/22 | 6a | The information Governance Strategy 2019/22 will now require to be reviewed, taking into account any impact of Covid19. | Moderate | 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. The possible resource implications are currently being considered and will be the subject of a forthcoming report to the IJB (target December 2022). | AMD | Mar-23 | n/a | n/a | | No update provided. |
| | 6b | | | | | | | | | |