

Angus Integration Joint Board

2021/22 Annual Audit Report – DRAFT



 AUDIT SCOTLAND

Prepared for Angus Integration Joint Board and the Controller of Audit
22 September 2022

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Key messages

2021/22 annual accounts

- 1 Our audit opinions on the annual accounts of Angus Integration Joint Board are unmodified.

Financial management and sustainability

- 2 Angus Integration Joint Board has appropriate and effective financial management arrangements in place. Although it returned a 2021/22 surplus of £18.1 million this was largely due to additional Covid-19 funding received late in the financial year.
- 3 Reserves have increased from £17.4 million to £35.5 million. We have confirmed that £30.2 million is appropriately earmarked for specific purposes, with the remaining £5.3 million held as a contingency reserve.
- 4 The 3-year Strategic Financial Plan has been updated to reflect the impact of the Covid-19 pandemic. It forecasts an underlying shortfall of £6.3 million by 2024/25 after utilising all contingency reserves. More needs to change to demonstrate financial sustainability in the delivery of services.

Governance, transparency and Best Value

- 5 The governance arrangements are appropriate and support effective scrutiny, challenge and informed decision making.
- 6 Angus IJB's performance remains above the Scottish average in most areas but service performance levels have been affected by the Covid-19 pandemic.
- 7 Recruitment and retention of staff is a national issue. Angus IJB now recognises workforce challenges as its most significant risk. It is working with partners to recruit people into health and care roles and developing new ways of working to meet local need.
- 8 Angus IJB has a framework in place to support the delivery of Best Value. New models of delivery for health and social care are being introduced, but more needs to change to ensure Angus IJB remains financially sustainable.

Introduction

1. This report summarises the findings arising from the 2021/22 audit of Angus Integration Joint Board (Angus IJB). The scope of our audit was set out in our 2021/22 Annual Audit Plan presented to the 20 April 2022 meeting of the Audit Committee. This report comprises the findings from the audit of Angus IJB's annual accounts, consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) and a review of the arrangements put in place by Angus IJB to secure Best Value.
2. The global coronavirus pandemic continued to have a considerable impact on Angus IJB during 2021/22. Angus IJB has adopted new ways of working and implemented service redesign in response to the pandemic. Risks related to the pandemic were included in our 2021/22 Annual Audit Plan.

Adding value through the audit

3. We add value to Angus IJB by:
 - identifying and providing insight on significant risks, and making clear and relevant recommendations
 - sharing intelligence and good practice through our national reports ([Appendix 2](#)) and good practice guides
 - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Responsibilities and reporting

4. Angus IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.
5. Angus IJB is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.
6. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance and International Standards on Auditing in the UK.
7. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on the financial position and arrangements for securing financial sustainability, the suitability and effectiveness of corporate

governance arrangements, the effectiveness of Angus IJB's performance management and Best Value arrangements. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

8. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

9. Our annual audit report contains an agreed action plan at [Appendix 1](#) including actions from last year and the progress that has been made.

Auditor Independence

10. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

11. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £27,960, as set out in our 2021/22 Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

12. This report is addressed to Angus IJB and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Audit appointment from 2022/23

13. The Accounts Commission is responsible for the appointment of external auditors to local government bodies. External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The financial year 2021/22 was a one-year extension and is the last year of the current appointment round.

14. The procurement process for the new round of audit appointments was completed in May 2022. Audit Scotland will continue as the appointed auditor for Angus IJB for the new round of appointments starting in 2022/23. We will work closely with the new audit team to ensure a well-managed transition.

15. The new auditors will follow a new [Code of Audit Practice](#) which applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

16. We would like to thank Board members, Audit Committee members, the Chief Officer, Chief Finance Officer and other staff for their co-operation and assistance over the last six years.

1. Audit of 2021/22 annual accounts

The principal means of accounting for the stewardship of resources and performance

Main judgements

Our audit opinions on the annual accounts of Angus IJB are unmodified.

The unaudited annual accounts were provided within the agreed timescale and were of a good standard.

Our audit opinions on the annual accounts are unmodified

17. Angus IJB's annual accounts for the year ended 31 March 2022 were approved by the Audit Committee on 22 September 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the Remuneration Report, Management Commentary and the Annual Governance Statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

The unaudited annual accounts were provided within the agreed timescale and were of a good standard

18. The unaudited annual accounts were received in line with our agreed audit timetable on 30 June 2022. The working papers provided to support the audit process were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the audit of the annual accounts process ran smoothly.

19. Submission dates for the annual audit report and audited annual accounts for 2020/21 were deferred because of the impact of Covid-19. Audit Scotland set target dates for 2021/22 which were more consistent with the pre-pandemic timescales. The target date for 2021/22 was 31 October 2022. The annual accounts were signed off on 22 September which was in line with the Scottish Government's revised deadline for the submission of audited annual accounts.

There were no objections to the annual accounts

20. The Local Authority Accounts (Scotland) Regulations 2014 require local government bodies to publish a public notice on its website that includes details of the period for inspecting and objecting to the annual accounts. This must remain on the website throughout the inspection period.

21. Angus IJB complied with the regulations and there were no objections to the 2021/22 annual accounts.

Overall materiality was revised on receipt of the unaudited accounts to £1.9 million

22. We apply the concept of materiality in both planning and performing the audit and in evaluating the effect of identified misstatements for the opinion in the auditor's report. We identify a benchmark on which to base overall materiality, such as net expenditure, and apply what we judge to be the most appropriate percentage level for calculating materiality values.

23. The determination of materiality is based on professional judgement and is informed by our understanding of the entity and what users are likely to be most concerned about in the annual accounts. In assessing performance materiality, we have considered factors such as our findings from previous audits, any changes in business processes and the entity's control environment including fraud risks.

24. Our initial assessment of materiality (£1.8 million) was carried out during the planning phase of the audit. This was reviewed and revised to £1.9 million on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#). The revised materiality levels did not require a change in our audit approach as it did not change the overall assessment of material account areas.

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£1.9 million
Performance materiality	£1.35 million
Reporting threshold	£90,000

Source: Audit Scotland

We have no significant findings to report on the audited annual accounts

25. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices.

26. We have no significant findings to report from the audit of the annual accounts. We do however note the significant increase in the general fund reserve as a result of the £18.1 million underspend in year largely caused by the receipt of additional Covid-19 funding in February 2022. This is detailed later in financial management and sustainability section of this report (see [Exhibit 3](#)).

We obtained audit assurances over the financial statements audit risks identified in our Annual Audit Plan

27. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 2

Significant risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> Assurances obtained and evaluated from the auditors of Angus Council and NHS Tayside in line with the 2021/22 Integration Joint Boards Protocol for Auditor Assurances. Balances and transactions agreed to financial reports / ledger of the partners. Detailed testing of significant year-end adjustments. Reviewed financial monitoring reports. 	<p>We obtained assurances from the external auditors of NHS Tayside and Angus Council.</p> <p>No weaknesses in the systems of internal controls have been identified that impact on Angus IJB.</p> <p>Conclusion</p> <p>No incidents of management override of controls were identified.</p>

Source: Audit Scotland

28. We identified in our 2021/22 Annual Audit Plan areas where we considered there to be other risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risk, we did not consider these to represent significant risks.

29. The areas of specific audit focus were Large Hospital Set Aside (LHSA) and Mental Health Services due to the significant management estimation and judgement within the calculations. Our audit work included evaluating the robustness of the methodologies for determining each of these costs. We kept these areas under review throughout our audit. Based on the findings of the audit procedures performed, we concluded that the net expenditure in the financial statements for LHSA and Mental Health Services was appropriate and correctly accounted for.

There was one identified misstatement in the audited annual accounts

30. One misstatement of £0.239 million has not been adjusted in the annual accounts, as management considers that it is not a material amount. On 30 August 2022 the Scottish Terms and Conditions Committee concluded that a job description was matched as Band 6 (and not Band 7). The unaudited accounts include the accrued service costs for the potential regrading of relevant posts which will now not be incurred. Net expenditure in the Comprehensive Income and Expenditure Statement is therefore overstated by £0.239 million and net assets in the Balance Sheet are understated by the same amount.

31. It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance considering advice from senior officers and materiality. Management has decided not to adjust for this misstatement.

Good progress was made on prior year recommendations

32. Angus IJB has made reasonable progress in implementing our prior year audit recommendations. Limited staff capacity and the impact of responding to the Covid-19 pandemic has restricted progress in some areas. For actions not yet implemented, revised responses and timescales have been agreed with management and are set out in [Appendix 1](#).

2. Financial management and sustainability

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Main judgements

Angus IJB has appropriate and effective financial management arrangements in place. Although it returned a 2021/22 surplus of £18.1 million this was largely due to additional Covid-19 related funding received late in the financial year.

Reserves have increased from £17.4 million to £35.5 million. We have confirmed that £30.2 million is appropriately earmarked for specific purposes, with the remaining £5.3 million held as a contingency reserve.

The 3-year Strategic Financial Plan has been updated to reflect the impact of the Covid-19 pandemic. It forecasts an underlying shortfall of £6.3 million by 2024/25 after utilising all contingency reserves. More needs to change to demonstrate financial sustainability in the delivery of services.

Budget monitoring arrangements were appropriate

33. Senior management and Angus IJB members regularly receive and monitor financial information on the financial position. Detailed finance reports were submitted to Angus IJB Board throughout the year. These clearly stated the outturn to date, latest budget information and the projected year-end outturn position. These reports also made clear the impact of ongoing Covid-19 costs and the additional funding as it was being received. We have concluded that Angus IJB has good budget monitoring arrangements that support effective scrutiny.

Financial systems of internal control operated effectively

34. Angus IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer and Chief Finance Officer. All funding and expenditure is incurred by partner bodies and processed in their accounting records. Angus IJB does not have its own financial systems and instead relies on the financial systems of its partner bodies, NHS Tayside and Angus Council.

35. As part of our audit approach, we obtained assurances from the external auditors of NHS Tayside and Angus Council. The assurances confirmed that there were no significant weaknesses in the systems of internal control for either body.

Standards of conduct and the arrangements for the prevention and detection of fraud and error were appropriate

36. Angus IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We reviewed the arrangements in place at Angus Council and NHS Tayside and found them to be adequate.

37. Angus IJB has a Code of Conduct for members and the Registers of Interest are publicly available on the website. We reported last year that the Code of Conduct, last updated in 2017, should be reviewed and updated. In April 2022, Angus IJB adopted the Standards in Public Life – Model Code of Conduct for Members of Devolved Public Bodies (2021).

38. Appropriate arrangements are in place for the prevention and detection of fraud and error. We are not aware of any specific issues we require to bring to your attention.

The 2021/22 budget included planned contributions from reserves to address the funding gap

39. Angus IJB approved its 2021/22 budget in April 2021. The budget was set at net expenditure of £188 million with a funding gap of £0.5 million to be met from reserves as shown in ([Exhibit 3](#)).

40. During 2021/22 additional Scottish Government funding was received which the partner bodies passed on to Angus IJB. Much of this was Covid related, but some also related to other pressures on health and care services. Funding streams included: expanding care at home, expanding interim care provision to reduce delayed discharges from hospital; paying staff the Real Living Wage; pay awards etc.

Angus IJB returned an £18.1 million underspend in 2021/22, largely due to Covid-19 funding received late in the financial year

41. Angus IJB has managed its financial pressures well during 2021/22. Additional Covid related spend in year was £3.4 million; most of this was key provider support (£2.4 million), alongside support to third sector mental health providers, the costs of personal protective equipment and additional staffing.

42. Angus IJB's operational underspend has been increased by additional government funding which is earmarked for specific uses.

43. The most significant element of additional funding received by Angus IJB was £11.8 million of Covid-19 related funding received in February 2022. This increased the 2021/22 underspend to £18.1 million resulting in a similar increase to the reserves held at the year-end as shown in ([Exhibit 3](#)).

Exhibit 3 Performance against budget

IJB budget summary	Original Budget £m	Additional Funding £m	Actual Outturn £m
Cost of Services	188.023		189.497
NHS Tayside funding	135.227	17.698	152.925
Angus Council funding	52.253	2.387	54.640
Net Funding	0.543		207.565
Surplus on the provision of services			18.068
Reserves brought forward			17.386
Total reserves as at 31 March 2022			35.454
Contingency Reserve			5.250
Earmarked Reserves			30.204

Source: Angus IJB 2021/22 Annual Accounts and Strategic Financial Plan 2021/22 – 2023/24

Although Angus IJB has reserves available, the way that health and social care services are delivered needs to change to remain financially sustainable

44. [Exhibit 4](#) sets out the financial sustainability wider audit dimension risk we identified in our 2021/22 audit. It summarises the audit procedures we performed during the year to obtain assurances over this risk and the conclusion from our work.

Exhibit 4

Risk identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p>1. Financial sustainability</p> <p>NHS Tayside and Angus Council continue to face significant financial pressures from funding reductions and increasing demand. The Covid-19 pandemic has presented both challenges and opportunities to develop savings plans. There is a risk that Angus IJB, in partnership with NHS Tayside and Angus Council, may not be able to identify sustainable savings measures or meet cost pressures as they arise.</p>	<ul style="list-style-type: none"> Reviewed progress made on meeting savings targets and dealing with cost pressures. Assessed the reasonableness of the assumptions in the strategic financial plan updates. 	<p>Savings initiatives were affected by the pandemic, but Angus IJB has managed the in-year cost pressures. The Board received regular Strategic Financial Plan updates on the significant financial risks.</p> <p>The Strategic Financial Plan 2022/23-2024/25 was approved by Angus IJB in April 2022. A recurring shortfall, after use of reserves, is identified over the period of the plan.</p> <p>Conclusion: Financial sustainability remains a risk for Angus IJB.</p>

Source: Audit Scotland

45. Angus IJB continues to face significant financial pressures. The Strategic Financial Plan 2022/23 – 2024/25 identifies that the current general fund reserve will be fully consumed by 2024/25. There is an underlying recurring funding shortfall of £6.3 million by 2024/25. In 2021/22 the contingency reserve increased from £4.75 million to £5.25 million. This increases financial flexibility in the short term but does not address the underlying recurring shortfalls. More needs to change in the way services are delivered to remain financially sustainable. Section 4 details some of the service changes implemented by Angus IJB.

Recommendation 1

Angus IJB must continue to review service delivery models to support the identification and achievement of recurring savings to support financial sustainability.

4. Governance, transparency and Best Value

The effectiveness of scrutiny and oversight and transparent reporting of information

Main Judgements

Governance arrangements are appropriate and support effective scrutiny, challenge and informed decision making.

Angus IJB's performance remains above the Scottish average in most areas but service performance levels have been affected by the Covid-19 pandemic.

Recruitment and retention of staff is a national issue. Angus IJB now recognises workforce challenges as its most significant risk. It is working with partners to recruit people into health and care roles and developing new ways of working to meet local need.

Angus IJB has a framework in place to support the delivery of Best Value. New models of delivery for health and social care are being introduced, but more needs to change to ensure the IJB remains financially sustainable.

Governance arrangements are appropriate and operate effectively

46. In making our assessment of the IJB's governance arrangements we considered the:

- structure and conduct of virtual board and committee meetings
- overall arrangements to ensure appropriate standards of conduct including compliance with the Standing Financial Instructions and Standing Orders
- arrangements for the prevention and detection of fraud, error, bribery and corruption
- reporting of performance and whether this is fair, balanced and understandable.

47. We reported last year that a number of governance publications were not up to date and available to the public via the website. Reviewing and publishing these documents enhances the openness and transparency of Angus IJB. Progress on implementing our recommendation (refer [Appendix 1](#)) has been limited as the focus has been on responding to the Covid-19 pandemic. We recognise that the remobilisation of health and care services is a higher priority. Implementation of governance improvement actions will be monitored by the Audit Committee during 2022/23.

48. Overall, we consider that governance arrangements are appropriate and support effective scrutiny, challenge and decision making.

Revisions to the Integration Scheme have been approved by the partners

49. Integration Schemes require to be updated every five years. The revised Angus Integration Scheme was issued for public consultation from March to May 2022. It was subsequently approved by the partner bodies, Angus Council and NHS Tayside, in June 2022. The revised scheme has now been submitted to the Scottish Government for approval.

Succession planning is essential to ensure continuity for anticipated changes in senior roles

50. We reported last year that the Chief Officer was in post on an interim basis for an extended period and that arrangements should be put in place to ensure timely recruitment. It took some months to fill certain key roles this year, and there are changes at senior manager level anticipated in the near future. Succession planning in partnership with NHS Tayside and Angus Council is essential to ensure continuity for IJB services. A well-planned handover process minimises the loss of knowledge and experience.

Recommendation 2

Angus IJB should ensure that succession planning, including timely recruitment and handover arrangements, are in place for the anticipated senior manager changes.

Angus IJB now recognises workforce challenges as its most significant risk. It is working with partners to recruit people into health and care roles and is developing new ways of working to meet local need.

51. The recruitment and retention of health and social care staff is a national challenge, not just a local issue. Angus IJB has a workforce plan and is actively working with partners to encourage local recruitment into health and care roles. New models of service delivery are being developed to relieve pressure on GPs and meet local needs in a local community setting.

Angus IJB has a framework in place to support the delivery of Best Value. New models of delivery for health and social care are being introduced, but more needs to change to remain financially sustainable

52. Integration Joint Boards have a statutory duty to have arrangements to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives and holding partners to account.

53. Angus IJB has a strategic planning framework, including its Strategic Commissioning Plan, Strategic Financial Plan, workforce plan and performance reporting, to support the achievement of its Best Value duties. The [Angus Council Best Value Assurance Report](#), published in July 2022, included coverage of Angus IJB services and performance.

54. The report concluded that the way that health and social care services are delivered needs to change to remain financially sustainable. As noted above, although Angus IJB held a £34.5 million reserves balance at 31 March 2022, most is earmarked with only £5.3 million available for other use. There is a shortfall in the Strategic Financial Plan that will consume the general reserve and result in an underlying recurring shortfall of £6.3m by 2024/25.

55. Between 2018 and 2028, the population of Angus is projected to decrease by 0.8 per cent compared with a projected increase for Scotland of 1.8 per cent. However, the average age of that population is projected to increase and more people are expected to live longer. The 75 and over age group is projected to see the largest percentage increase (+30.3 per cent) and will have a significant impact on the demand for the services provided by Angus IJB. Difficulties in recruiting social care staff and GPs are already resulting in unmet need.

56. As well as a general increase in overall demand, Angus IJB faces a significant challenge in addressing the changing pattern from provision in care homes to care at home. Demand for care at home rose sharply during the Covid-19 pandemic, alongside significant vacancy rates in care homes. This pattern of demand is set to continue. Angus IJB agreed in February 2022 to close the Beech Hill House Care Home to release resources to support care at home and invest in the prevention agenda.

57. Angus IJB recognises that more needs to change in the way services are delivered to meet increasing demand and ensure financial sustainability. It keeps its services under review and has introduced new models to improve patients' experience of care, such as Mental Health Enhanced Community Support and the Community Treatment and Care Service (see good practice examples at [paragraph 72. and 73.](#)).

58. In addition Angus IJB, ANGUSalive and Angus Council have committed funding for a two-year test of change project to develop preventative health and wellbeing activities which should, over time, help to shift the balance of care.

59. The Scottish Government introduced the National Care Service (Scotland) Bill in June 2022. This legislation committed the Scottish Government to

establishing a National Care Service for Scotland by 2026. It will make Scottish Ministers accountable for adult social care in Scotland. Angus IJB recognises that this legislation will have a significant impact on IJB services. Angus IJB will continue to engage with the Scottish Government as the Bill progresses.

Angus IJB's performance remains above the Scottish average in most areas but service performance levels are affected by the pandemic

60. The National Integration indicators 2021/22 show that Angus's performance is higher than the Scottish rate in most areas including: the percentage of adults supported at home who agree that they had a say in how their help, care or support was provided; the percentage of adults receiving any care or support who rate it as excellent or good, and the percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life.

61. There are also areas of declining performance including the rate of emergency readmissions; the percentage of adults who agree that they are supported to live as independently as possible at home; and the percentage of adults with intensive care needs receiving care at home. The percentage of carers who feel supported to continue in their caring role, while consistent with the Scottish rate, is low at 29.5 per cent.

62. Several performance indicators have been affected by the Covid-19 pandemic, particularly those associated with hospitals (e.g. emergency admissions and delayed discharges).

Angus IJB has effective arrangements for managing and reporting performance

63. The Public Bodies (Joint Working) (Scotland) Act 2014 requires Angus IJB to produce an annual performance report covering areas such as assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, and the inspection of services.

64. Angus IJB monitors its performance indicators through six-monthly performance reports to Board meetings: areas that are below target or declining are scrutinised to understand the reasons for this and to ensure that appropriate improvement action is being taken. A summary Performance Report was presented to Angus IJB in June 2022 and a full report is expected by November 2022. This is in line with the revised performance reporting timescale agreed by the Scottish Government.

65. Angus IJB's website has a 'How we performed' section which summarises the relationship between the Angus strategic priorities and performance areas, the national wellbeing outcomes and the national core indicators. For each priority it shows key measures, the improvement or decline in those measures and the action being taken. It also has local examples of the impact on individual service users. The website section is not exhaustive, but it is an

accessible way of relating performance data to what that means in practice. The most recent performance information on the website is for 2020/21.

66. The Management Commentary included in the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of performance as well as helping stakeholders understand the financial statements.

67. Angus IJB's performance reporting was affected by Covid-19, as work was re-prioritised to focus on the response to the pandemic. Performance indicators from the June 2022 summary report were included in the 2021/22 annual accounts. Financial performance was also covered, with clear commentary on the financial outturn and the impact that Covid-19 costs and funding had on the 2021/22 outturn and reserves.

68. We have concluded that Angus IJB has effective arrangements for managing and reporting performance.

National performance audit reports

69. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22 we published some reports which may be of interest to Angus IJB as outlined in [Appendix 2](#).

70. National reports are made available to all IJB members via a dedicated Teams channel. We concluded that Angus IJB has appropriate arrangements in place for considering and reviewing national reports including any locally agreed actions.

Good practice points

71. Angus IJB has made good progress in shifting care from hospitals into the community. It has introduced new service delivery models, including social prescribing. It is working with partners to develop preventative health and wellbeing activities. The following detail on new Integrated Community Health and Care Services was included in the Angus Council Best Value Assurance Report:

72. Mental Health Enhanced Community Support co-locates GPs, mental health and wellbeing services and substance use services, providing one referral route, with no referrals rejected. This is a person-centred approach which coordinates the relevant services that each person needs and allows coordinated planning of care for hospital discharge.

73. The 'hub and spoke' model for the Community Treatment and Care Service (CTCS) aims to reduce GP workload and prevent duplication by providing access to tests and treatment in a community hub; those services were previously provided in a number of different ways and locations (practices, community hospitals, treatment rooms and Minor Injury and Illness Units). The CTCS provides patients with safe, convenient and comprehensive access to treatment and care services that are located within the community. For areas without hubs, spokes based in local practices are being developed.

Appendix 1. Action plan 2021/22

2021/22 recommendations

Issue/risk	Recommendation	Agreed management action / timing
<p>1. Financial sustainability</p> <p>Despite the level of reserves held at 31 March 2022, Angus IJB is forecasting a recurring funding shortfall in its Strategic Financial Plan.</p> <p>Angus IJB is making good progress in reviewing service delivery models and shifting the balance of care, but more needs to be done to remain financially sustainable.</p> <p>Risk – Angus IJB’s operating model is not financially sustainable.</p>	<p>Angus IJB must continue to review service delivery models to support the identification and delivery of recurring savings to ensure financial sustainability.</p> <p>Paragraph 45.</p>	<p>Angus IJB will continue to progress existing planned interventions.</p> <p>The IJB accepts the need to further develop plans to close out financial shortfalls and has tasked the Strategic Planning Group with reviewing options to address this by December 2022.</p> <p>Chief Officer / Chief Finance Officer - December 2022</p>
<p>2. Workforce and succession planning</p> <p>Recent vacancies in some senior roles have taken considerable time to fill. Staff changes at senior manager level are expected in the near future: succession planning is essential to ensure continuity and to avoid the loss of knowledge and experience.</p> <p>Risk – Angus IJB’s loses key senior management expertise.</p>	<p>Angus IJB should ensure that succession planning, including timely recruitment and handover arrangements, are in place for the anticipated senior manager changes.</p> <p>Paragraph 50.</p>	<p>Angus IJB recognises this risk and will continue to work with partners towards timely recruitment of senior roles.</p> <p>The IJB will develop and retain a list of significant individual posts where succession planning or recruitment requires to be addressed. This list will be monitored through monthly IJB Executive Management Team meetings to ensure the timeliness of actions and will be shared with partners as required.</p> <p>Head of Service (Workforce Lead) - October 2022</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action / timing
b/f Financial Sustainability	Angus IJB must continue to review service delivery models to support the identification and delivery of recurring savings to ensure financial sustainability.	In Progress – see Recommendation 1
b/f Integration Scheme	Angus IJB should work with its partners, NHS Tayside and Angus Council, to complete the revisions to the Integration Scheme to define and support the future delivery of services.	Complete The revised Angus Integration Scheme was approved by the partner bodies in June 2022 and has been submitted to the Scottish Government for approval.
b/f Governance	Angus IJB should ensure that key governance documents are up to date and available to the public.	In progress – no further audit work proposed The Equalities Mainstreaming Report was presented to the August 2022 Board meeting. We note that the Audit Committee will monitor the revision of governance documents through the Governance Actions Plan.
b/f Senior roles should be filled as soon as practicable	The IJB and its partners should develop plans to ensure that all senior management roles are permanently filled in a timely manner.	Complete The Chair of the IJB has written to the IJB's partners to ensure early future appointment to any Chief Officer vacancy.

Appendix 2. Summary of 2021/22 national performance reports and briefing papers

May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

[Community justice: Sustainable alternatives to custody](#)

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

Angus Integration Joint Board

Draft 2021/22 Annual Audit Report

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