



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 7 DECEMBER 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. RECOMMENDATION

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.

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updates are provided by Lead Officers, collated in the period prior to an IJB Audit Committee Meeting and could be out of date by the day of the IJB Audit Committee Meeting.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| Superseded | Action superseded or no longer relevant.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 Some actions may eventually be superseded by other circumstances, recommendations or actions. Once noted as “Superseded”, actions will not be reported at further IJB Audit Committee Meetings.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 – Calling In

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

For the December Audit Committee a progress report was requested from The Procurement and Finance Team Leaders regarding outstanding action Financial Management (AN07/18). However a report was taken to the 3rd Party Provider meeting on 15th November 2022. Whilst this report (attached at appendix 2) demonstrated good progress being made it was not yet possible to confirm that contracts and finance information is fully aligned. As progress has been made, the respondents have not been called in, but this action will remain as “Overdue (Good progress)” until the 2023/24 management report confirms that the records are aligned.

A progress report was also requested regarding outstanding action AN05/20 Risk Management which comprises 3 actions. Two of these actions (items 3 and 4) are now complete. As 2 of the 3 actions are now complete we can agree to remove the calling in requirement.

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 delayed progress with this. Importantly this included the development of the IJB’s Risk Appetite. However a Risk Appetite development session was held on 26th October with the IJB where the Risk Appetite for the IJB Strategic Risks was agreed. A training database has also been developed for IJB members and this is being updated on an ongoing basis.

As noted above an update on this action from the respondent was to be called in to the December 2022 Committee but due to 2 of the 3 actions now being complete the calling in requirement has been removed.

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 has been requested that the Lead AHP share a copy of the groups agreed Terms of Reference with Audit Committee members separately for reference.

Progress with AN06/20 actions 2-1 and 2-3 has previously been noted as 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 the issues noted within the original internal audit. However, it is now accepted that the IJB will have to work with this delay and accept the associated interim risks. Angus Council are progressing the Eclipse development and they are recognising and monitoring a specific risk regarding the associated Finance model through the Eclipse Project Board. The IJB is represented on the Project Board. On that basis, and after discussion with the IJB’s Internal Auditors, it is recommended that the relevant Internal Audit follow up actions are now treated as being “superceded” as they are no longer deliverable within a reasonable timescale and the IJB is now having to manage the situation differently.

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.

Reflecting on the status of progress, it is now recommended that the timescales are reset to June 2023 (action 2) and October 2023 (action 3). This reflects the wide-ranging nature of the improvement work.

- 2.6 Actions re 2020/21 Annual Internal 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 later 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.

4. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required.

REPORT AUTHOR: Alexander Berry, Chief Finance Officer
E-mail details: tay.angushscp@nhs.scot

Appendix 1: Angus IJB Internal Audit reports – Follow Up Actions
Appendix 2: Financial Management Audit Update Report

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 | Aug-22 | Dec-22 | Impact of Delay | December 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 2023/24 report has been issued. | Team Leaders (Procurement / Finance) | Originally Dec. 2018; Revised to Sept. 2022. | Overdue - Limited Progress | Overdue (Good Progress) | Weakened governance | Report completed and presented to Third Party meeting on 15th November 2022. |
| 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 | Complete | Weakened governance | Risk appetite development session was held on 26th October with the IJB. This now provides the risk appetite for the IJB strategic risks. |
| 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 | Complete | Weakened governance | Training database has been developed for IJB members and is being updated on an ongoing basis. A copy of this database is included in the half yearly risk report to the audit committee. |
| 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 is progressing, this has been delayed. Revised date for completion February 2023. However lead partner agencies have shared reports through local CCPGs. |
| 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 timeously. In addition, the possibility of interfaces sharing information between systems should be explored. As part of an internal audit report for | 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 | Complete | Complete | Weakened performance | First meeting of the Angus Digital Group has taken place. Terms of Reference will be completed at the next meeting on 24th November 2022 and can then be shared with the audit committee before the December Audit Committee. |
| | 1(b) | 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. | | (...including participation in the Workplace Enablement (WPE) Group) | AHP Lead | Originally Mar. 2021; Revised to August 2022 | Complete | Complete | Weakened performance | Completed |

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

Appendix 1 (cont)

| | | | | | | Status at Audit Committees | | | | |
|-------------------------------|-----------|---|----------------------------------|---|--|---|---|--|---------------------------------|---|
| IJB Audit Report | Rec. Ref. | Recommendation | Priority | Management Response / Action | Action by | Due Date | Aug-22 | Dec-22 | Impact of Delay | December 2022 - Status - Comment |
| 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 | Superseded | Weakened information governance | Given the delay in the Eclipse implementation, it has now been agreed with the IJB's Internal Auditors that these issues can not be dealt with in a reasonable time-frame, that they can be marked as "superseded" and that it is accepted the IJB will have to work with this delay and accept the associated interim risks. |
| | | | | 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 - Limited progress | Weakened information governance | As no update provided now assume limited progress.* |
| | | | | 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 | Superseded | Weakened information governance | Given the delay in the Eclipse implementation, it has now been agreed with the IJB's Internal Auditors that these issues can not be dealt with in a reasonable time-frame, that they can be marked as "superseded" and that it is accepted the IJB will have to work with this delay and accept the associated interim risks. |
| 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 and resources are limited due to competing demands | Weakened governance | Improvement plans remain under development via Working Group. The work is broken into 4 work streams with several overlaps. Mapping existing arrangements has proved to be very complex and time consuming but is now nearing completion. Staffing shortages, other unavoidable work and IT system challenges continue to mean progress is slow. A number of workarounds are in place meantime and debt review meetings are being reinstigated. Completion of this work is still many months away based on current progress. Reflecting on the status of progress it is now recommended that the timescales are reset to June 2023. This reflects the wide-ranging nature of the improvement work. |
| 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. Reflecting on the status of progress it is now recommended that the timescales are reset to October 2023. This reflects the wide-ranging nature of the improvement work. |

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 | | | December 2022 - Status - Comment |
|--|-----------|---|-------------|--|-----------------------|--|----------------------------|----------------------------|---------------------|--|
| | | | | | | | Aug-22 | Dec-22 | Impact of Delay | |
| 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 | Originally Dec 2021; revised to Autumn 2022. | Overdue (Good Progress) | Overdue (Good Progress) | Weakened Planning | At IJB meeting on 24 August members were requested to note that on 3 August 2022 SPG agreed a report on the development process for the SCP for 2023-26 and noted that engagement process with stakeholders had commenced to review the current plan for 2019-22. An engagement event with SPG and IJB members, to consider a draft Plan will take place in November 2022, prior to engagement about the draft plan and the presentation of a final draft Plan to IJB in March 2023. |
| 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 FTF 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 - Limited progress | Weakened Governance | As no update provided now assume limited progress*. (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 | After delays in considering this due to COVID-19 this is now under active consideration in management team. Update expected by February 2023. |
| 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 | Complete | Weakened Governance | Performance Steering Group established to review H&SCP performane across all services. |

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 | | | December 2022 - Status - Comment |
|---|-----------|--|------------------|---|---------------|-----------------|----------------------------|----------------------------|---------------------|--|
| | | | | | | | Aug-22 | Dec-22 | Impact of Delay | |
| AN0x/21 | 5 | We recommend that the IJB ensures it receives more active assurance in this area through presentation of the partner bodies annual Whistle blowing 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. Note - Although action agreed for 2 meetings, this action will remain on this list until the 2022/23 Workforce report has been issued. | HoS (EM) | Mar-22 & Aug-22 | Complete | Complete | N/A | Whistleblowing policy been discussed at Work Force Steering Group (WFSG) and SLT. 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. |
| 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 | Oct-22 | Good Progress | Complete | N/A | Heads of Service and Service Manager, Integration, completed checklist on 5 August and 9 September. Helpful exercise which identified areas/practices which are working well and areas to focus on. |
| 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 | Overdue - Limited progress | Weakened Governance | 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 | Overdue - Limited progress | Weakened Governance | Report planned for December IJB Committee. |
| 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 | Good Progress | N/A | Steering group to be established and ToR currently being developed. |
| | 4b | | | The second work stream, focusing on the development and delivery of an integrated emergency planning and response framework, will be completed by March 2023 through the new Angus HSCP Civil Contingencies Steering Group. | HoS (JG) | Mar-23 | Good Progress | Good Progress | N/A | Development sessions undertaken with EMT and SLT, Once the Emergency Planning Framework has been established a development session will follow with the IJB in Nov 2022. |
| 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 | Good Progress | N/A | Report planned for December IJB Committee. |

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 | | | December 2022 - Status - Comment |
|----------------------------------|-----------|---|-------------|--|-----------------------------|----------|----------------------------|------------------|------------------------|--|
| | | | | | | | Aug-22 | Dec-22 | Impact of Delay | |
| 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 | N/A | No update provided*. |
| | 6b | | | The IJB intends to review progress with the Strategy during 2022/23 with an expectation that the majority of the actions will be complete thereby addressing the original risks identified. This review is scheduled to be completed by March 2023. | AMD | Mar-23 | n/a | n/a | N/A | No update provided*. |
| AN06/22 Commissioned Services | 1a | It is recommended that the Business Continuity Plan (BCP) for each provider is in place and is fit for purpose at the review of tender stage before the contract is awarded. | Significant | The IJB (Commissioning Service) will work with Procurement to ensure that during tendering process, providers are qualitatively evaluated by the Commissioning Service regarding BCPs. | HoS and Proc & Comm Manager | Oct-22 | n/a | Good Progress | Weakened Commissioning | Meeting scheduled between Lead Officer and Procurement to ensure that BCP's are in place and there is a system for review and assurance. |
| | 1b | The currency and quality of all provider BCPs should be reviewed as part of ongoing contract monitoring. This should be included as part of the agenda of contract monitoring meetings. Provider BCPs should be specifically identified as a key control in the Commissioned Service provider Failure risk. | | As part of contract monitoring, Commissioning Services will work with Procurement to cyclically (annually) review all Provider's BCPs (Commissioning Service) to ensure those BCPs remain appropriate and to record that review (Procurement). | HoS and Proc & Comm Manager | Mar-23 | n/a | Good Progress | N/A | Meeting scheduled between Lead Officer and Procurement to ensure there is a system in place to review BCP's. |
| AN06/22 | 2 | It is recommended that AHSCP produce BCP that covers Commissioned Services and that this is reviewed and updated regularly. | Significant | The IJB recognise the need for BCPs for Commissioned Services. The IJB will develop BCPs for a range of generic instances including failure of Home Care providers, Care Home providers and other independent and voluntary sector providers and reflecting various scales of failure. | HoS | Mar-23 | n/a | Limited Progress | N/A | Meeting scheduled in November 2022 to take matters forward between Lead Officers and Procurement to agree process. |
| AN06/22 | 3 | To provide assurance on the effectiveness of the actions taken to support recruitment, relevant KPIs derived from workforce performance and other data should be monitored regularly in order to provide assurance on controls. This principle should be extended so that the performance of the controls can be measured against agreed parameters which indicate the sustainability of a provider early risk warnings. Data available should be monitored and reported regularly to provide clear information on how controls are performing. | Significant | The IJB will develop KPIs from available workforce information to demonstrate commissioned service recruitment status as an indicator of sustainability. The IJB will develop KPIs, with parameters, within an overall monitoring framework describing the sustainability of providers. This will be undertaken for Care Home providers initially and reflect factors such as workforce, occupancy and care indicators. The monitoring framework will be overseen by a nominated group (TBC). | HoS | Mar-23 | n/a | Limited Progress | N/A | Meeting scheduled in November 2022 to take matters forward between Lead Officers and Procurement to agree process. |

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

Appendix 1 (cont)

| Angus Integration Joint Board: Internal Audit Reports - Follow-up Action | | | | | | | Status at Audit Committees | | | Appendix 1 (cont) |
|--|-----------|---|----------|---|-----------|----------|----------------------------|--------|-----------------|--|
| IJB Audit Report | Rec. Ref. | Recommendation | Priority | Management Response / Action | Action by | Due Date | Aug-22 | Dec-22 | Impact of Delay | December 2022 - Status - Comment |
| AN06/22 | 4 | <p>There are a large number of fora and working groups involved in commissioned service providers. The purpose of each group and the role each group plays in controlling the overall strategic risk should be clearly identified and recorded to ensure that there is no omission or unnecessary duplication.</p> <p>The overall contribution of these groups should be recorded as controls as part of the next update to the risk.</p> | Moderate | <p>The IJB will review the role of all groups linked to Commissioned Services and document the outcomes.</p> <p>Relevant contributions of groups to Risk Management will be documented in the controls section of a future Clinical, Care & Professional Governance Group (CCPG) risk update.</p> | HoS | Mar-23 | n/a | n/a | N/A | The review will take place between January and March 2023. |

S-BAR REPORT

| | | |
|-------------------------|------------------------------------|---------------------|
| Report to: | Third Party Providers Group | Agenda Item: |
| Date of Meeting: | 15 November 2022 | 7 |

Title

AN07-18 – Financial Management Audit Update Report

Joint Report by

Team Leader – Procurement & Commissioning and Team Leader – AHSCP Finance Team

Situation requiring action

There is an internal audit requirement that an annual reconciliation takes place between the AHSCP budgeted expenditure with third party contracts and grants and the AHSCP contracts register managed for the Partnership by the Procurement & Commissioning Team. This report sets out the work undertaken and provides an update on the reconciliation for 2022-23.

Background

Recommendation 2 of the audit recommends 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. The purpose is to apply annual assurance that contracted commitments do not exceed budgeted expenditure. This was a Priority 3 Action meaning “moderate risk exposure”.

The management response to this recommendation was an agreed action that the Finance Team Leader (Team 2) and Procurement and Commissioning Manager would undertake joint work to reconcile the Contracts Register with Finance information (e.g. budgets) on an annual basis and report through the Third Party Providers group.

This report implements that action.

Assessment

Use of the Contracts Register

The initial audit requirement was to match budgets with the contracts register. At a follow up meeting with the then Procurement & Commissioning Manager, it was highlighted that the required level of information to enable the desired level of reconciliation could not be found using the contracts register. Examples given to support this view related to values on the register being estimates, especially in relation to frameworks and spot purchase arrangements. The former Procurement & Commissioning Manager advised that a “contracts wave plan” was in development, which would project total budgeted spend. This plan is now known as the care and support

services workplan and not only includes projected spend but actual financial year contract values and contract year values.

The Team Leader – Procurement carried out a reconciliation between the workplan and the contracts register (as at 17 Oct 2022) and found that only 15 out of 61 contracts on the workplan appeared on the contracts register.

The following issues reconciling against the contracts register were found:

1. Not all entries on the contracts register had contract values associated with them e.g. supported accommodation contracts;
2. Not all of the values are accurate or represent a true picture of the situation e.g. college support contract has a value attached but is a spot purchase arrangement and will change according to demand;
3. Not all contracts have been awarded via PCS;
4. Some of our contracts were awarded by TPC and will be contained on their register;
5. Frameworks and care homes are not on the register due to the spot purchase nature;
6. No grants appear on the contracts register but account for a large amount of spend.

It was concluded that the most accurate management information system to reconcile against is the care and support services workplan.

Reconciliation Process

A line-by-line reconciliation between the care and support services workplan, payments spreadsheet and budgets was undertaken. A number of anomalies were found and are being worked through by Procurement and Finance and any action required will be completed before the ledger close down at the end of November. These included –

- rounding of grants not being applied to the budgets,
- inflationary increases applied or not applied,
- children's spend included in overall workplan values where contract/grant serves both adults and children,
- contracts ending mid-year but budgeted for full financial year etc.

The preliminary findings are shown at Appendix 1.

Learning

Having undertaken this exercise mid-way through the financial year it has been agreed that the Finance and Procurement teams will work together at the start of the financial year to agree all and any inflationary or contractual uplifts which will then be reflected in the budgets. Working together will ensure that all grants and contracts are agreed with budget holders, correct payments will be made throughout the year and budgets will accurately reflect projected spend.

Recommendations

It is recommended that the Third Party Providers Group notes and approves this report.

Report Authors:

Johanna Hutcheon, Team Leader -
Procurement

Sheila McGrady, Team Leader –
Finance Team 2