

AGENDA ITEM NO 3 (c)

MINUTE of MEETING of the **ANGUS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** held in the Town and County Hall, Forfar on Wednesday 26 April 2023 at 11.30am.

Present: Members of Audit Committee

ANDREW JACK, Service User Representative
KATHRYN LINDSAY, Chief Social Work Officer
PETER DRURY, Non-Executive Board Member, NHS Tayside
HAYLEY MEARNS, Third Sector Representative
Councillor GEORGE MEECHAN, Angus Council

Advisory Officers

SANDY BERRY, Chief Finance Officer
GAIL SMITH, Chief Officer
TINA MAGSON, Manager, Legal Team 1, Angus Council

Also in Attendance

TONY GASKIN, Chief Internal Auditor, Fife, Tayside and Forth Valley Audit and Management Services (FTF)
MARK LAIRD, Senior Audit Manager, Audit Scotland
RHIONA SWANKIE, Management Accountant – Observer

ANDREW JACK, in the Chair

1. APOLOGIES

Apologies for absence were intimated on behalf of Chris Boyle, Staff Representative, Angus Council and Elaine Henry, Registered Medical Practitioner, NHS Tayside.

2. DECLARATIONS OF INTEREST and STATEMENTS OF TRANSPARENCY

There were no declarations of interest or statements of transparency made.

3. MINUTES INCLUDING ACTION LOG

(a) Previous Meeting

The minute of meeting of this Committee of 7 December 2022 was approved as a correct record.

(b) Audit Committee Action Points

The Integration Joint Board Audit Committee agreed to note the action log of 7 December 2022.

4. ADULTS WITH INCAPACITY – INTERNAL AUDIT

Members noted that an internal audit on Adults with Incapacity by Angus Council's Internal Auditors had been completed which reviewed Angus Council's procedures to ensure compliance with OPG (Office of the Public Guardian) and MWC (Mental Welfare Commission for Scotland) requirements in relation to recording guardianships for Adults with Incapacity.

The Report was considered at Angus Council's Scrutiny and Audit Committee on 25 April 2023. A full update would be brought in June 2023.

5. 2021/22 AND 2022/23 INTERNAL AUDIT PLANS – PROGRESS REPORT

With reference to Article 8 of the minute of meeting of this Committee of 7 December 2022, there was submitted Report No IJB 16/23 by the Chief Internal Auditor to brief members on the completion of the 2021/22 Internal Audit Plan as well as progress against the 2022/23 plan and work relating to 2023/24.

The Report also detailed internal audit reports that were commissioned by the partner Audit and Risk Committees, where the outputs were considered relevant for assurance purposes to Angus IJB, for information.

Appendix 1 of the Report outlined the Internal Audit Progress Report for 2022/23 and 2023/24.

The Chief Internal Auditor provided a brief summary of progress highlighting that audits in relation to AN04-23 Workforce and AN05-23 Finance were on target for presenting to the June Audit Committee.

The Chief Internal Auditor and Chief Finance Officer also responded to Peter Drury, Non-Executive Board Member's question in relation to the RAG status and risk priority.

The Integration Joint Board Audit Committee agreed to note the completion of the 2021/22 Internal Audit Plan and work undertaken relating to 2022/23 and 2023/24.

6. INTERNAL AUDIT REPORTS – FOLLOW UP ACTIONS

With reference to Article 7 of the minute of meeting of this Committee of 7 December 2022, there was submitted Report No IJB 17/23 by the Chief Finance Officer updating members regarding the IJB's progress with the recommendations of the Internal Audit Reports.

Appendix 1 to the Report detailed the update on actions related to AN07/18 Financial Management; AN05/20 Risk Management; AN06/020 Data Quality; AN05/21 Charging for Services Audits; AN03/21 Annual Internal Audit Report 2020/21; AN/ANG6/22 Annual Internal Audit Report 2021/22; and AN06/22 Commissioned Services.

The Chief Finance Officer provided a brief overview of progress made and also intimated that the new actions would also be included following consideration of Item 13, Report IJB 24/23 Sustainability of Primary Care Audit (AN05/22) on today's agenda. He also indicated that the colour coding implemented into the next agenda item would be introduced into this report in future.

Councillor Meechan sought further information in relation to AN05/21 Charging for Services and AN06/20 Data Quality Audits, and in response, the Chief Finance Officer provided informative updates and also confirmed that he would pass on the requests to share the operational information requested in terms of the number of applicants requesting a waiver or reductions in charges for services and further operational detail in terms of changes related to the Home Care Monitoring system.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the Report and progress made to date in terms of delivering the planned response; and
- (ii) to call in a more detailed update regarding the response to ANG46/22 Information Governance Strategy for the August 2023 Audit Committee if matters had not been satisfactorily resolved prior to that point.

7. GOVERNANCE ACTIONS PLAN

With reference to Article 10 of the minute of meeting of this Committee of 7 December 2022, there was submitted Report No IJB 18/23 by the Chief Finance Officer providing an update to members in relation to the Governance Actions Plan.

Appendix 1 to the Report detailed a number of actions that still required to be progressed or concluded to improve the IJB's overall governance arrangements. A number of actions included pre-dated COVID-19, were particularly complex and could not be solved by the IJB in isolation. At present, there was not capacity across the systems, concurrently, to resolve a number of these issues. The IJB continued to seek to address capacity issues at a number of levels.

The Chief Finance Officer provided a brief overview of the Report highlighting some key areas including an update in regards to Large Hospital Set Aside.

The Chief Social Work Officer requested further information in terms of the timescales in relation to Hosting Arrangements and the delay in this action, and in response, the Chief Finance Officer acknowledged that this action was long overdue and that further detail would be included in the report to be brought forward to the June Audit Committee.

The Chair acknowledged the two completed governance actions and also welcomed the update provided in terms of progressing the Large Hospital Set Aside and looked forward to further updates in due course.

In terms of Large Hospital Set Aside, the Chief Internal Auditor provided commentary and also welcomed the pragmatic approach to consider solutions going forward, thereafter the Chief Finance Officer indicated that he would share further information with both internal and external auditors in order to seek their feedback. An update would also be brought forward to the IJB in due course.

The Integration Joint Board Audit Committee agreed to note the Report and progress made to date in terms of delivering the planned response.

8. 2022/23 EXTERNAL AUDIT ANNUAL AUDIT PLAN

With reference to Article 6 of the minute of meeting of this Committee of 7 December 2022, there was submitted Report No IJB 19/23 by the Chief Finance Officer presenting members with information regarding the 2022/23 External Audit Annual Audit Plan.

The Report indicated that Audit appointments were generally for a five year period with 2020/21 being the final year of the previous arrangements, albeit due to COVID those arrangements were extended to also cover 2022. For 2022/23 to 2026/27 new auditors had been appointed for Angus Council and Angus IJB and for the new 5 year period, the external audit provision would continue to be provided by Audit Scotland.

Appendix 1 to the Report detailed the proposed External Audit Annual Audit Plan for 2022/23.

The Chief Finance Officer took the opportunity to introduce Mark Laird, Senior Audit Manager, Audit Scotland to the meeting, and also made reference to the proposed audit fee as outlined in recommendation (ii) of the Report.

The Senior Audit Manager provided a detailed overview of the Report, highlighting the key areas including: financial statements audit planning; wider scope and Best Value, reporting arrangements, timetable, and audit fee and other matters.

Peter Drury, Non-Executive Board Member and the Chief Social Work Officer raised questions in relation to the audit fee and the 12.5% increase; and the type of additional work that may incur supplementary fees including any ballpark figure, and in response, the Chief Finance Officer, the Chief Internal Auditor and the Senior Auditor provided informative updates. The Senior Auditor also agreed to share a breakdown of the audit fee with Committee members.

In acknowledging the responses received, the Chief Social Work Officer intimated that the question had been raised in order to provide clarity around the request for delegated authority as outlined in recommendation (ii) of the Report.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the External Audit Annual Audit Plan outlined as Appendix 1 to the Report;
- (ii) to approve the proposed audit fee of £31,470 and to devolve authority for approval of any reasonable supplementary fees to the Chief Finance Officer; and
- (iii) to notes the potential uncertainty about the timing of reporting arrangements and the need for a possible additional or re-arranged Audit Committee meeting to deal with the reviewing the final accounts and External Audit outputs.

9. 2021/22 EXTERNAL ANNUAL AUDIT REPORT – PROGRESS UPDATE

With reference to Article 12 of the minute of meeting of this Committee of 7 December 2022, there was submitted Report No IJB 20/23 by the Chief Finance Officer setting out progress towards the completion of the External Auditor’s 2021/22 Annual Audit Report Action Plan.

Appendix 1 to the Report outlined the update in relation to the Annual Audit Report Action Plan.

The Chief Finance Officer provided a brief overview, thereafter the Integration Joint Board Audit Committee agreed to note the External Annual Audit Report Action Plan and to note that all actions were now treated as complete.

10. AUDIT COMMITTEE - ANNUAL WORK PLAN 2023/24

With reference to Article 8 of the minute of meeting of this Committee of 20 April 2022, there was submitted Report No IJB 21/23 by the Chief Finance Officer updating members in terms of the Integration Joint Board Audit Committee’s Annual Work Plan for 2023/24.

The Report indicated that there was a pattern of activity within the Audit Committee that reflected the agreed Terms of Reference for the Committee. Appendix 1 to the Report summarised the Audit Committee’s Annual Work Plan for 2023/24 and acted as a guide to future business.

For 2022/23, there was a general assumption that the Committee would be able to revert to pre-COVID timelines with general points to note as outlined in Section 2 of the Report.

In relation to the sharing of External Reports, the Chief Social Work Officer intimated that since the recent change undertaken, she had been unable to access the IJB Microsoft Teams Channel, and in response, the Chief Finance Officer agreed to look further into this.

The Integration Joint Board Audit Committee agreed the IJB Audit Committee Annual Work Plan.

11. REVIEW OF THE ROLE OF CHIEF FINANCE OFFICER 2022/23

With reference to Article 9 of the minute of meeting of this Committee of 20 April 2022, there was submitted Report No IJB 22/23 by the Chief Finance Officer briefing members regarding the outcomes of the 2022/23 self-assessment of the role of the Chief Finance Officer within Angus IJB against the principles set out in the Chartered Institute of Public Finance and Accountancy’s (CIPFA) “ The Role of the Chief Finance Officer in Local Government”.

The Report indicated that the previous self-assessment noted that Angus IJB were only non-compliant in a limited range of points and some of the non-compliance was linked to the structure of the IJB and issues that were out with the direct control of the IJB’s Chief Finance Officer.

The updates since 2018/19 had focused on areas of partial or non-compliance, and as part of this year’s Internal Audit plan, it was agreed that the IJB’s Internal Auditors would undertake a validation of the self-assessment. Consequently, the updated self-assessment had been compiled after review with the IJB’ s Internal Auditors.

Appendix 1 of the Report outlined the Angus IJB – Statement on the Role of the Chief Financial Officer – Checklist at April 2023.

The Chief Finance Officer provided a brief overview of the Report and thereafter the Chief Officer welcomed the independent involvement that would potentially bring more value to the overall review.

The Integration Joint Board Audit Committee agreed:-

- (i) to note the content of the 2022/23 self-assessment of the role of the Chief Finance Officer (CFO) in Angus IJB including the important points highlighted in the covering Report;
- (ii) to note that the IJB was generally compliant with the principles set out in the review;
- (iii) to note that the self-assessment has been compiled following full review and validation by the IJB's Internal Auditors; and
- (iv) that in depth reviews of the Role of the Chief Finance Officer are carried out every two years going forward and that these should include an element of independent involvement in any assessment.

12. UPDATE TO FINANCIAL REGULATIONS

There was submitted Report No IJB 23/23 by the Chief Finance Officer setting out an update of the IJB's Financial Regulations for approval by the Audit Committee in advance of submission to the IJB.

The Report indicated that the IJB's original Financial Regulations were approved in March 2016, in advance of the formal start date for Health and Social Care Integration on 1 April 2016.

The review has been developed by the Chief Finance Officer reflecting both the Integration Scheme and a more current understanding of the operation of the IJB than existed in 2015. The main revisions were outlined in Section 3 of the Report.

Appendices 1 and 2 of the Report outlined the proposed and previous Financial Regulations.

The Chief Finance Officer provided a brief update of the Report and highlighted to members, the proposed recommendation outlined in the Finance Report to be considered at today's IJB meeting, which requested the IJB to devolve authority to this Committee to approve changes to the IJB's Financial Regulations and Reserves Policy documentation, effective from this Audit Committee meeting.

He also responded to questions raised by Councillor Meechan and the Chief Social Work Officer in relation to the Budget Adjustment figure of up to £500k as outlined in the Section 6.7 of the Appendix and the review consultation process.

The Integration Joint Board agreed:-

- (i) to approve the updated IJB Financial Regulations for submission to the Integration Joint Board; and
- (ii) to note that the Financial Regulations would be reviewed by April 2025.

13. INTERNAL AUDIT REPORT – SUSTAINABILITY OF PRIMARY CARE (AN05/22)

With reference to Article 15 of the minute of meeting of this Committee of 7 December 2022, there was submitted Report No IJB 24/23 by the Chief Finance Officer to update members on the output of the Internal Audit report regarding Sustainability of Primary Care.

The Report indicated that the report now included final management responses, indicated that only limited assurance can be derived from the current control mechanism, and that resolution of the actions points would, it was anticipated, increase assurance levels.

Many governance systems including those in Primary Care were stretched by the demands of COVID-19. Additionally, the governance landscape for Primary care was challenging for a range of reasons including scale, the interface with NHS Tayside regarding property issues and the complexities of introducing the new 2018 GMS. Primary Care was a key risk for Angus IJB with Angus having the Lead Partner role. Progression of the issues and actions set out would assist mitigating these risks.

The Chief Finance Officer introduced the Report and thereafter the Chief Officer intimated that an assurance update had been provided to the NHS Tayside Care Governance Committee in February and April 2023. She also emphasised that considerable progress had been made and highlighted a number of key areas including responses to the GP sustainability survey, IT provisions in general practice, Primary Care Board and postponement of the risk workshop and premises. An update was also provided in relation to two outstanding actions in terms of the primary care strategy and revision of the associate medical director's job description.

The Chief Internal Auditor re-iterated that the report was exceptionally complex and acknowledged the considerate responses received. In emphasising the difficult and complex risk area, he stressed that partnership working was paramount going forward. In acknowledging the progress made to date in mitigating the risks, he also took the opportunity to commend the work of the Chief Officer.

In response to the Chair's question, the Chief Officer confirmed that an update report would be provided to the next Audit Committee meeting in June 2023.

The Chief Social Work Officer in acknowledging the significant Report, raised a query around whether there was enough capacity to provide the support to the Chief Officer and colleagues in order to deliver this significant strategic area of business for Angus and also Tayside. In response, the Chief Officer provided a background overview and in terms of capacity intimated that there were capacity gaps and that additional support was always welcomed.

The Chief Internal Auditor also highlighted concerns in relation to premises and confirmed that there had been some follow up work undertaken in relation to Estates and that he would consider bringing forward a progress update to the next IJB Audit Committee.

Having heard from the Chair, the Integration Joint Board Audit Committee agreed:-

- (i) to note the finalisation of the Sustainability of Primary Care Internal Audit Report; and
- (ii) to note that actions associated with the Audit would be reported through future iterations of the Internal Audit Follow Up report.

14. DATE OF NEXT MEETING

The Committee noted that the next hybrid meeting of the Angus Health and Social Care Integration Joint Board Audit Committee will be held on Wednesday 21 June 2023 at 11.30am in the Town and County Hall, Forfar.