

FTF Internal Audit Service

Angus IJB Internal Audit Service

Annual Internal Audit Report 2022/2023

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Angus Integration Joint Board Audit Committee
External Audit

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Draft Report Issued	26 May 2023
Management Responses Received	08 June 2023
Target Audit Committee Date	21 June 2023
Final Report Issued	12 June 2023

INTRODUCTION AND OPINION

1. The Integrated Resources Advisory Group (IRAG) guidance outlines the responsibility of the Integration Joint Board (the IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of arrangements for risk management, governance and control of the delegated resources.
2. This guidance states that the IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control.
3. Guidance issued in April 2017 requires IJBs to prepare their annual accounts and governance statements in accordance with Local Authority Accounts (Scotland) Regulations 2014. These regulations require an authority to:
 - i) *Be responsible for ensuring that the financial management of the authority is adequate and effective and that the authority has a sound system of internal control which:*
 - (a) *facilitates the effective exercise of the authority's functions; and*
 - (b) *includes arrangements for the management of risk.*
 - ii) *Conduct a review at least once in each financial year of the effectiveness of its internal control.*
4. The CIPFA 'Delivering Good Governance' in Local Government Framework 2016 places a responsibility on the authority to ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
5. This review examined the framework in place during the financial year 2022/2023 to provide assurance to the Chief Officer, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the IJB's objectives. It considered:
 - *Corporate Governance*
 - *Clinical Governance*
 - *Staff Governance*
 - *Financial Governance*
 - *Information Governance*
6. The results from this work reported within this 2022/23 Annual Internal Audit Report should inform the IJB's judgment on the Governance Statement.
7. Our follow up work showed that of the 6 recommendations from our 2021/22 Annual report, 3 have been fully addressed (Strategy, Directions Policy & Clinical Governance assurance), progress has been made against 1 further recommendation (Category 1 responder), whilst the remaining 2 action points remain outstanding (Assurance on risks and the Information Governance Strategy) due to management capacity.
8. Whilst the management response to a further action point (performance reporting linked to risks) from our 2020/21 Annual Report has technically been completed, the underlying concepts remain extremely relevant and have been reiterated in this report

as important enablers for focus on the delivery of key organisational objectives, the mitigation of risk and effective assurance.

9. Whilst we note clear efforts on the part of the organisation including keeping IJB members updated, a number of previously reported intractable, long standing issues remain unresolved, Large Hospital Set Aside (LHSA), Corporate Support arrangements, Risk Assurance over Hosted Services (now Lead Partner services), Financial Planning, and Joint job descriptions/recruitment. These also featured in the IJB's 2021/22 Governance Statement and governance improvement plans. We would particularly highlight the issue of Lead Partner assurances which cover areas of the highest clinical risk across Tayside (e.g. Mental Health) and which will be the subject of a paper to the June 2023 IJB.
10. As the organisation matures and returns to 'Business as Usual' following the pandemic, we welcome the significant work undertaken during the year to create the conditions for success in the coming year(s):
 - I. The revised Strategic Commissioning Plan (SCP) 2023- 2026 and accompanying initial Strategic Delivery Plan (SDP) (as well as accompanying Market Facilitation Document and Housing Contribution Statement) was approved by Angus IJB in April 2023.
 - II. A review of sub committees and forums was undertaken and resulted in:
 - a. Introduction of a Performance Steering Group;
 - b. More regular Board member liaison forums;
 - c. Decision making and assurance reports given primacy on IJB agendas;
 - d. A greater role for the Strategic Planning Group with minutes and a chair's assurance report to be provided to the IJB.
 - III. Following approval of the updated Integration Scheme, governance documents have been revised including Standing Orders, Audit Committee remit and Financial Regulations.
 - IV. A revised Directions Policy & Procedure has been approved with a first monitoring report provided to the Audit Committee.
 - V. A Risk Appetite statement has been agreed.
 - VI. A new Workforce Plan was approved, supported by the Workforce Implementation Action Plan with very positive feedback from Scottish Government.
11. Notwithstanding our very positive assessment of the work undertaken, the current environment in which the IJB operates is exceptionally complex and extremely challenging, and there is no guarantee that arrangements being put in place will mitigate risk to acceptable levels.
12. The new SCP and associated SDP will require careful monitoring of implementation, with a strong focus on transformation i.e. what Angus IJB will do differently to be able to deliver on its strategic objectives within serious financial and workforce constraints and whether that transformation is delivering improvements sufficient to enable sustainable services; whether it is being delivered and whether it is delivering the expected and required benefits.
13. The Angus IJB is in an interdependent relationship with both partner bodies in which the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement concludes that *'with the ongoing improvement work undertaken throughout the year, as evidenced above; the governance framework and the assurances*

and evidence received from the Board's committees, that corporate governance continues to be strengthened and internal controls were operating adequately and effectively throughout the financial year ended 31 March, 2023'. Angus Council has drafted a Governance Statement for 2022/23 which concludes that 'reasonable assurance can be placed upon the adequacy and effectiveness of Angus Council's systems of governance and that the annual review demonstrates compliance with the core principles of good governance'. In addition, the Angus Council Annual Internal Audit Report concludes that 'the Council has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money'.

14. As included in the workplan for the Audit Committee, plans are in place to share information on partner assurances at the August 2023 meeting before the audited accounts are signed off.
15. The IJB has produced a draft Governance Statement for 2022/23 which reflects the IJB's own assessment for areas for development, setting out several actions to further strengthen governance arrangements. These are generally complex areas which have remained outstanding for a number of years and depend on the input of partner bodies.
16. As Chief Internal Auditor, this Annual Internal Audit Report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2022/23.
17. Based on the work undertaken, I have concluded that:

- **Reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2022/23.**

18. In addition, I have not advised management of any concerns around the following:

- **Consistency of the Governance Statement with information that we are aware of from our work;**
- **The format and content of the Governance Statement in relation to the relevant guidance;**
- **The disclosure of all relevant issues.**

ACTION

19. The IJB is asked to note this report in evaluating the internal control environment for 2022/23 and consider any actions to be taken on the issues reported for consideration.

INTERNAL CONTROL

20. Following a meeting of Angus IJB in March 2016, FTF were appointed as the IJB's Internal Audit Service. The Audit Committee has approved the Internal Audit Charter, which is reviewed annually, as well as a protocol for the sharing of audit outputs between the partner organisations. We can confirm that FTF complies with the Public Sector Internal Audit Standards (PSIAS).
21. During 2018/19 the NHS Tayside Internal Audit Service was externally quality assessed by the Institute of Internal Auditors and concluded that FTF generally conforms to the International Professional Practice Framework (IPPF). All actions arising from this review

are now complete. A further External Quality Assessment is due to take place during 2023/24.

22. The 2022/23 internal audit plan was approved by the IJB Audit Committee in June 2022. Audit work undertaken in partnership with the Angus Council Internal Audit Service has been sufficient to allow the Chief Internal Auditor to provide his formal opinion on the adequacy and effectiveness of internal controls.
23. To inform our assessment of the internal control framework, we developed a self assessment governance checklist for completion by management. The checklist was based on requirements of the Integration Scheme, guidance issued by the Scottish Government to support Health and Social Care Integration and best practice. It was also cross referenced to the requirements of the CIPFA 'Delivering Good Governance in Local Government Framework 2016' and supporting guidance notes for Scottish Authorities.
24. Internal Audit validated the assessments reached through discussion with management and examination of the supporting evidence and documentation.

ACKNOWLEDGEMENT

25. On behalf of the Internal Audit Service, I would like to take this opportunity to thank the Chief Officer and Chief Finance Officer of the IJB as well as staff within the partnership for the help and co-operation extended to Internal Audit throughout the year and throughout my tenure as Chief Internal Auditor.

A GASKIN, BSc. ACA
Chief Internal Auditor

Our evaluation of the IJB's Governance Framework is summarised below:

A – Corporate Governance
A1 – Key arrangements in place as at year end 2022/23 as well as planned and ongoing developments
<p>Strategy</p> <ol style="list-style-type: none"> 1. The revised Strategic Commissioning Plan (SCP) 2023-2026 and accompanying Strategic Delivery Plan (SDP) (as well as accompanying Market Facilitation Document and Housing Contribution Statement) were approved by Angus IJB in April 2023, with an acknowledgement of affordability issues, with the paper stating: <i>'It is important to recognise that at April 2023, this Plan, and the associated SDP and SFP does not yet demonstrate that it is affordable over its 3-year duration'</i>. We note the Strategic Financial Plan 2023026 shows a c£8M shortfall by year 3. Discussions with management have evidenced ongoing work on developing the SDP, refining the actions and assigning their financial impact. A report on the updated Delivery plan is to come back to the IJB in August 2023. 2. Our Annual Internal Audit Report 2021/22 recommended that the IJB, in developing its SCP, should self assess against FTF Strategy Development principles. Over August/September 2022 this exercise was completed by senior management and we have been informed that this helped to identify areas and practices which are working well as well as areas to focus on. 3. We have been informed that SDP is to be monitored by a new Strategic Delivery Group yet to be formally established. The IJB will receive an update on progress with the new SCP every 6 months via scheduled Strategic Planning update reports. It will also be sighted on updates via the newly agreed reporting line (Chair's assurance reports and minutes) which will come from the Strategic Planning Group (SPG) to the IJB after each SPG meeting. 4. We cannot yet comment on the effectiveness of these future arrangements, but would note that the focus of reporting should be on the success of transformational projects i.e. what has changed and how services are better delivered, with savings achieved, as a result of transformation. Reporting should provide a rounded view of overall performance, financial and workforce sustainability and progress in implementing the priorities set out in the SCP, linked to assurance on relevant strategic risks. 5. The cover paper to the SCP made reference to a Strategic Risk <i>'Failure to deliver on the priorities within the SCP which improve the health and wellbeing outcomes of the population of Angus within available resources'</i>. However, the January 2023 Clinical Care & Professional Governance Group (CCPGG) agreed that this risk should be archived as it is based on the old strategic plan for which all mitigating action plans have been completed. The new SCP provides an opportunity for the IJB to reflect on whether its current strategic risk register reflects all issues with the potential to stop the organisation achieving its strategic objectives. Given the complex and challenging environment in which the IJB operates, we would recommend consideration is given to creating a new strategic risk on implementation of the new SCP to provide an anchor for articulating how the new governance and operational structures will work together and provide control and assurance (for example with regards to

monitoring delivery of planned intervention and associated financial impact)

Performance

6. Current arrangements for performance monitoring in Angus IJB provide for biannual reports to the IJB, with the most recent midyear performance report received in February 2023 and the annual report planned for June 2023.
7. The midyear update provided in February 2023 showed that operational performance has been challenging with 13 out of 22 measures not on track. The cover paper includes narrative under each section, providing information on possible causes as well as plans for how to improve performance, but there is no information on the success of interventions
8. It should be noted that the Annual Performance report 2021/22 shows Angus IJB performing well against the Scottish average in 15 of the 20 National indicators and similar to the Scottish average (within 5%) for the remaining 5 indicators.
9. Following the approval of the new Strategic Commissioning Plan 2023-2026, priorities, key performance indicators and targets are being reviewed and a new dashboard is being developed for presentation to the June 2023 IJB. The minutes of the June 2022 IJB showed that the Chief Officer highlighted that the IJB would have more engagement and involvement in developing the local measures including target setting. We would recommend that targets set should be realistic and achievable and where possible reporting should be against a meaningful comparison e.g. national average. Performance reporting should overtly demonstrate implementation of the new SCP Delivery plan as well as overtly linking to strategic risks.
10. A future enhancement to the reporting format should consider how the report can provide assurance on whether corrective actions currently being taken are working and what will change if they are not.
11. We would recommend management consider the following enhancements to the reporting format:
 - A short summary of the risk associated with non- achievement of targets;
 - Specific improvement actions with target dates;
 - Outcomes focussed narrative. For example, rather than reporting a Short Life Working Group meets to address an issue, narrative should detail improvements flowing from the work of the group;
 - Where action has been taken to address challenging areas or areas of poor performance, assurance on whether action has been effective should be provided. Where action has not been effective, alternative remedial action should be identified;
 - An explanation of any barriers to achievement or potential risks to achievement i.e. horizon scanning. This would provide an early warning when known events / circumstances are likely to impact on achievement of targets. This requires assessment of risks to key services to identify urgent issues that may become critical imminently;
 - Executive, Clinical and Management leads for all measures to be referenced in the performance report.
12. A review of governance structures and their roles and reporting arrangements

has been undertaken. Instead of the establishment of a Performance & Resources Committee as previously envisaged, an operational Performance Steering Group (PSG) has been created with the overall purpose *'to provide assurance to Angus HSCP EMT that systems and procedures are in place to monitor, manage and improve overall performance, and best value is achieved from resources'*. An 'HSCP Business Critical Data pack' has been developed and is monitored by the PSG at each meeting including development of improvement plans when required.

13. The April 2023 IJB supported proposals for a reporting line from the PSG to the Strategic Planning Group, which will report directly to the IJB via a Chair's assurance report. We have been informed that the Terms of Reference for the PSG will be updated to reflect the dual role the group will play in supporting the implementation of the new SCP, as well as other performance related issues as required by the Executive Management Team (EMT) to reflect this.

Governance Arrangements

14. The IJB met 8 times during the year, including 2 special meetings in May 2022 (to discuss the Delivery of General Medical Services at Friockheim Health Centre) and March 2023 (to discuss the Mental Health and Learning Disabilities Improvement Plan). The Audit Committee met on 5 occasions during 2022/23 and also held a development event. All IJB and Audit Committee meetings were quorate. As part of the update of the Standing Orders, the remit for the Audit Committee was also reviewed and now includes the requirement for an annual report of the Audit Committee to be presented to the IJB as well as the requirement for an annual private meeting of members with the IJB's auditors and a refinement to the Audit Committee's responsibilities regarding risk. A dedicated MS Teams channel is in place for IJB members to receive notification of any national reports with implications for Angus IJB.
15. Following a decision by the April 2021 IJB, the Audit Committee has continued to monitor progress against the Angus response to proposals from the MSG. Although four issues, LHSAs, Corporate Support arrangements, Financial Planning and joint job descriptions/recruitment are still to be fully completed due to capacity and the need to work with other parties; we have seen clear efforts on the part of the IJB to progress these. The IJB has no plans to undertake further self-assessment, with the focus remaining on addressing existing unresolved actions.
16. Following previous Internal Audit recommendations and discussion within the IJB's Audit Committee, the Audit Committee in December 2022 received its first annual update report on the status of each element of the suite of governance documents.
17. We have previously reported that the IJB did not receive any progress report nor update on the Equalities Outcomes Plan for 2018-20, which was first approved April 2018. We are pleased to note that a new Equalities Mainstreaming Report and set of Equality Outcomes has now been approved by the IJB on 24 August 2022. A new strategic risk on meeting its legal obligations with regards to Equalities has also been recorded and we have been informed that improvements in the use and publication of Equalities Impact Assessments and the staff training being delivered should ensure the organisation is meeting its legal obligations. A review of governance structures and their roles and reporting arrangements including all sub committees and forums was

undertaken by management and discussed with Audit Committee members at their development event in February 2023. The April 2023 IJB supported the resulting proposals and recommendations for improved future working arrangements. Developments include:

- a. Introduction of a Performance Steering Group;
- b. More regular Board member liaison forums;
- c. Decision making and assurance reports given primacy on IJB agendas;
- d. A greater role for the SPG with minutes and a chair's assurance report to be provided to the IJB.

18. The Chief Internal Auditor was consulted as part of this work and stressed the importance of the flow of assurance in line with the FTF Assurance principles, from work undertaken by any operational group or committee with delegated responsibilities. Chairs' assurance reports will be used and should cover the following topics:

- a. Are there any issues which could be a disclosure in the Governance Statement (see below) or should be included within the Committee year-end report?
- b. Are there any new risks emerging which require escalation to the Board or recording in the Corporate or operational risk registers?
- c. Is the Committee fulfilling its workplan and if not, would any omissions have an impact on its ability to provide assurance at year-end?
- d. For the risks delegated to the Committee:
 - Are the scores correct?
 - Have there been any significant movements?
 - Has the committee received assurances that internal controls intended to mitigate the risk are working as intended and are effective?
 - Does performance reporting support this?
 - Has the committee received assurances that actions intended to reduce the risk to its target level are working as intended and will be effective?

Hosted Services (Lead Partner Arrangements)

19. The updated Integration Scheme refers to Lead Partner Services (previously Hosted Services) where the Lead Partner Chief Officer co-ordinates strategic planning and has operational responsibility for those services. The new Scheme requires Lead Partner Chief Officers to seek approval from all IJBs on proposed strategy and to provide reports on those services to other IJBs at least in every 3 year planning period. Internal audit has highlighted on a number of occasions that assurances on these services have required improvement for some time. Although progress continues to be made with a new process in place to share Quality Assurance reports (Clinical Governance reports) for Lead Partner services across all 3 Clinical Care & Professional Governance Groups, an agreed internal audit action in relation to assurance on risks of Lead Partner services remains outstanding. We would note that this action relates to the most significant risks across Tayside (such as Primary Care and Mental Health). The Audit Committee has been informed an update on this topic will come to the June 2023 IJB meeting.

Review of Integration Scheme

20. Following the IJB noting the draft revised Integration Schemes in April 2022, in

June 2022 Tayside NHS Board and Angus Council Policy & Resources Committee gave final approval for submission to Scottish Government of the revised Scheme. Angus IJB was provided with an update through the Action Log at their August 2022 meeting. The new Scheme received ministerial approval in November 2022.

21. We previously reported that a number of key governance issues were to be addressed through the agreement of a new Integration Scheme. Whilst the new scheme more clearly articulates operational management responsibilities, the review process did not resolve many of the other areas previously identified as concerns, including Large Hospital Set Aside (LHSA) and Corporate Support arrangements which now still need to be addressed. Whilst the IJB is reliant on engagement from partner bodies to further progress in these areas, the organisation needs to ensure momentum is maintained. Therefore, in agreement with internal audit, the action point on overall governance arrangements has been closed off, but outstanding individual actions continue to be monitored.
22. In August 2022, following approval of the new IS, the IJB approved revised Standing Orders and in April 2023 Angus IJB Audit Committee approved updated Financial Regulations.

Directions

23. A revised Directions Policy & Procedure was approved by the IJB in April 2023. Following previous comments by Internal Audit in relation to both the monitoring of Directions and the issue of Clinical & Care Governance in formulating Directions, we are pleased to note the new document makes provision for both issues. The Audit Committee will receive 6 monthly reports giving the summary status of Directions issued by the IJB with the first report provided December 2022. The report outlines a summary of the Directions issued by the IJB in 2022 and their status and does not provide commentary on their impacts, as it is considered that this level of oversight is facilitated through the normal management arrangements of the IJB and Angus Health and Social Care Partnership.

Risk Management

24. We welcome good progress made during the year in addressing outstanding actions from Internal Audit's Risk Maturity Assessment (AN05/20), with Risk Appetite now agreed and training for IJB members in place.
25. Only 1 action point remains outstanding in relation to assurance on risks of Lead Partner (previously hosted) service(s). (see para 20 above)
26. The scrutiny and management of risks is delegated to the CCPGG who regularly review the Board Assurance Framework documents for each strategic risk with every second monthly meeting dedicated to risk. The CCPG provides a midyear risk management update and annual assurance report to the Audit Committee. However, the format of the risk management report does not provide scores (both target and current,) the adequacy and effectiveness of controls and the adequacy of actions (i.e. future planned controls) to achieve target An action to provide direct reporting to the IJB on its risk profile (a summary showing all strategic risks on the risks register and their scores) as well as direct, overt assurance on each of its strategic risks to the IJB was agreed as part of our 2020/21 annual report but currently remains outstanding due to demands on

management.

27. The May 2023 CCPG discussed a proposal for reporting on individual risks to be channelled through the relevant operational group with the intention that this *will ensure a better understanding of whether the risk profile is changing and if the current/planned controls are effectively reducing the risk, provide a greater level of assurance and ensure that the management of the risk is embedded into day to day management activities rather than a separate stand alone process.*
28. Whilst we are fully supportive of this proposal, it is important that the IJB should receive direct, overt assurance on each of its strategic risks at governance level.
29. We welcome the approval of the Risk Appetite by the February 2023 IJB. Work will now be required to identify how the new risk appetite will affect Strategy, decision-making prioritisation and budget setting and organisational focus, the ‘so what?’ question, which will be fundamental to making risk appetite real. We recommend that the risk reporting to the IJB as recommended above includes the risk appetite for each risk, and commentary to describe the implications whether above or below appetite. Target scores for each risk should be reviewed in light of the agreed appetite to allow efforts to be targeted at areas above appetite and risks above appetite should be subject to enhanced monitoring.

Risk	Previous score (March 2022)	Current score (March 2023)	Movement	Target score
Sustainability of Primary Care Services	25	25	→	12
Prescribing Management	16	16	→	9
Financial Management	20	20	→	16
Workforce Optimisation	20	20	→	16
Commissioned Service Provider Failure	20	12	↓	9
Adult Support & Protection	16	8	↓	12
Non-integration of Adverse event, risk management and complaints	12	12	→	6
Equalities	(new risk)	16	↑	9
Implementation of Strategic Planning Priorities*Archived*	16	N/A	↓	N/A
Withdrawal of Roche Glucose Nano Meter *Archived*	16	N/A	↓	N/A

30. The current Risk Management Strategy agreed in April 2021 does not explicitly set out the role of the IJB in agreeing the organisation’s strategic risks. At present, development, escalation and horizon scanning of risks is undertaken by the CCPG. Emerging risks are discussed as a standing agenda item and following discussion and review of supporting documentation these are added to the strategic risk register if appropriate. In our view, the current risk profile does not fully reflect the environment in which the organisation finds itself and we have recommended below consideration of further areas of risk as well as consideration of how IJB should be involved in agreeing the overall risk profile (See Action point 1)

Best Value

31. A self assessment against Audit Scotland “Auditing Best Value - Integration Joint Boards” (March 2018) was completed by Angus IJB for 2021/22 and will be repeated for 2022/23. The IJB plans to rely on the assurances provided by the partner bodies’ Governance Statements which make reference to their Best Value arrangements. This approach has been agreed with the IJB’s external auditors and the results will be summarised in the Annual Accounts and Performance report.

Communication and Engagement

32. Angus IJB recognises communication and engagement as a priority area for the effective delivery of the Partnership’s strategic plan. Following approval of the Communication and Engagement Plan in October 2020, the IJB continued to receive an annual update, most recently in October 2022, showing good progress against the plan as well as providing a holistic picture of the various engagement activities on service improvements and to inform the new SCP. A refreshed plan is due for presentation to the October 2023 meeting of the IJB.

National Care Service

33. The Independent Review of Adult Social Care (IRASC) report (the Feeley report) was published by the Scottish Government on February 2021. The April 2021 Audit Committee was informed of its publication and that it ‘could have significant implications for Angus IJB, depending on subsequent legislation’. Scottish Government has delayed work on the National Care Service (Scotland) Bill and on this basis, no further reports have been provided to the IJB in 2022/23. In our view, future developments on the implementation of a National Care Service could have a significant impact on the ability of the IJB to deliver its strategic objectives. Management may wish to consider this as part of a reflection on the overall risk profile.

Category 1 responders/ business continuity

34. The 2021/22 Annual Internal Audit Report recommended that following the assessment of compliance against the Civil Contingencies Act, 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. There have been delays, again due to competing priorities, but progress made includes developing Terms of Reference for a Steering Group to take this work forward.

B – Clinical Governance, Staff Governance, Financial Governance, Information Governance
Key arrangements in place as at year end 2022/23 as well as planned and ongoing developments
B1 Clinical:
<ol style="list-style-type: none"> 1. Angus HSCP, through the work of the Clinical, Care & Professional Governance Group (CCPGG) alongside Dundee HSCP and Perth & Kinross HSCP, provide regular, high quality clinical and care governance assurance reports to the NHS Tayside Care Governance Committee. 2. Addressing a previous internal audit recommendation, we welcome the introduction of a mid-year CCPGG report to the December 2022 IJB to augment the previous annual assurance report process. 3. The score for the Adult Support & Protection risk has reduced significantly in year. The IJB received no assurances from the Angus Adult Protection Committee in year, as their annual report is only required biennially by legislation. As part of the overall process of ensuring all risks are fully understood and mitigated, the IJB should consider whether it receives appropriate, ongoing assurance on this topic. 4. Good progress against the action plan arising from Significant Case Review P19 was reported to the IJB in October 2022 and the outcome of the Joint Inspection of Adult Support & Protection in Angus was positive, supporting the reduction in the risk score. In addition, in August 2022 the IJB supported a range of interventions to address capacity in Adult Support & Protection Services. 5. However, Angus Council Internal Audit service issued a report in April 2023 on a review of procedures in place to ensure compliance with the Office of the Public Guardian and MWC (Mental Welfare Commission for Scotland) requirements in relation to recording guardianships for Adults with Incapacity which resulted in an audit opinion of 'No Assurance'. A full review of the Guardianship process is to be undertaken in response to this audit. The IJB draft Governance Statement refers to the implications of this report. 6. Guardianships for Adults with Incapacity is an example of an area where the IJB must place reliance on controls operating in partner bodies and the apparent contradiction between the otherwise positive reporting on this area findings of the Angus Council internal audit reinforces our previously reported view that clear risk assurance reporting should be established. 7. However, whilst we can evidence that internal and external audit reports and other national governance reports such as the MSG are reported to and monitored by the Audit Committee, this responsibility does not currently extend to other third party inspection and scrutiny bodies, especially with regards to clinical governance. A 'Learning from Inspections' SBAR has now been agreed which sets out the process for notifying the CCPG team of inspections to be undertaken, their outcomes and improvement plans; who will then take responsibility for monitoring actions and sharing learning. Whilst we welcome this step, we would further recommend that consideration is given to the need for triangulating external findings with the results of internal control systems

with assurance is provided at governance level.

8. For example, an update on the outcome of the Joint Inspection of Adult Support & Protection in Angus was provided to the IJB in February 2023. An improvement plan is to be developed and then monitored by the Adult Protection Committee which does not have a direct or frequent reporting line to the IJB.
9. Primary Care remains the highest risk for Angus IJB. Internal audit report AN05/22 Sustainability of Primary Care issued in January 2023 provided limited assurance and made 7 recommendations regarding the risk, controls and assurance as well as structures and reporting lines. Progress against these actions will continue to be monitored both through the risk assurance report to the NHS Tayside Care Governance Committee as well as Audit Follow Up processes. Initial progress is positive. In addition, the IJB received reports on the Primary Care Improvement Fund as well as the intention to develop a premises strategy for Angus GP provided.
10. Mental Health has continued to feature very strongly on the IJB's agendas throughout the year, including updates both locally (Angus Living Life Well Improvement Plan) and regionally for Tayside overall, which culminated in the approval, at a special meeting of the IJB in March 2023, of the Mental Health and Learning Disability Services Improvement Plan. This report was prepared by the Chief Officer of Perth and Kinross Integration Joint Board in their capacity as Lead Partner in response to the six recommendations set out in the final report of the Independent Oversight and Assurance Group into Tayside Mental Health Services published in January 2023. As requested by the executive partners, an additional 4 key priorities are to be added in a similar format to then form the Mental Health and Learning Disability Whole System Change Programme for Tayside. This is due by June 2023 with an acknowledgement that much work remains to be undertaken on the enabling elements for this plan. Perth & Kinross IJB as the Lead Partner are developing a strategic risk for Mental Health.
11. For the first time, in August 2022 the IJB was provided with an update on Drug Misuse Death data and arrangements for progressing implementation of the Medication Assisted Treatment (MAT) Standards for Scotland. The Report outlined existing progress, the challenges and gaps that required to be addressed and also set out the actions planned which would assist in achieving the Standards; and also included the Angus Alcohol and Drug Partnership (ADP) Annual Report for the period 2021/22.
12. Drugs & Alcohol and Mental Health are areas of high clinical risk for organisations involved in care across Tayside and the arrangements for managing and providing assurance over these have been the subject of Internal Audit review for some time. We welcome the prominence and continued focus given to these topics at Angus IJB.

B2 Staff:

1. Workforce is rated as a Priority 1 strategic risk for Angus IJB, reflecting the extreme pressures on workforce, both now and in the future. In June 2022 the IJB approved a Workforce Plan supported by the Workforce Implementation Action Plan for submission to Scottish Government. The feedback received from Scottish Government commended the quality and coverage of the content, which was assessed as very good overall. An annual Workforce update will be

provided to the October 2023 IJB.

2. A test of change on the most appropriate governance arrangements for the workforce risk has been undertaken. Monitoring of this risk has now moved from the CCPG to the Workforce Planning Group. The risk will also be reported to the CCPG twice a year and subject to a 'deep dive'.
3. We have previously commented on the particular importance to the IJB of assurance over the workforce risk and this is ever more pertinent given the importance of workforce as an enabler of the new SCP as acknowledged in the new SCP. Internal Audit AN04/23 will provide further comment on risk and monitoring of implementation of the plan.
4. Progress has been made in agreeing reporting processes for Whistleblowing through the Staff Partnership Forum, with the output to be noted in the annual workforce update report to the IJB in October 2023 and lessons learned to be considered at the Workforce Steering group, although this did not happen in 2022/23. We have evidenced discussion at this forum on the importance of awareness of staff on how to raise concerns.

B3 Finance:

1. Strategic Risk 3 '*Failure to develop and implement a balanced financial plan will lead to a risk of unsustainable services*' has remained a priority 1 red risk, with the rationale that '*ultimately the IJB may have to further amend overall service provision and the IJB's Strategic Commissioning Plan, thereby effecting all planning and all service delivery, to ensure the delivery of a long term breakeven budget position*'.
2. Each meeting of the IJB receives a Finance report including a risk assessment, planned interventions (savings) progress, reserves update, and a forecast outturn position. In 2022/23, this continued to include a section on the financial impact of Covid19.
3. Forecasts throughout the year have ranged from breakeven to an underspend forecast of £3.691m but this was affected by anticipated levels of funding to support whole system pressures for the partner bodies (NHS Tayside and Angus Council) and the levels of reserves to be held. Based on the draft annual accounts, there was significant movement in reserves during the year, with a closing balance of £21.6m, down from £35.4m at the end of the last financial year, mostly due to c£15.7m of Covid19 funding reverting to the Scottish Government. The current and proposed reserves policies aims for a general contingency fund of around 3.0% of total expenditure (Which would equate to circa £6.4m for Angus IJB for the coming year) with funding above that free to be allocated at the discretion of the IJB.
4. The Finance Report contains a narrative against all planned interventions (recurrent savings) across the 3 year financial planning period. Non-recurrent savings are not specifically monitored as they are not considered key to financial sustainability. The most recent report to the February 2023 IJB showed that around 44% (£1.519M) of the total 22/25 target (£3.456) have been delivered to date (22/23 fully achieved and more than c50% of year 2 targets now achieved.)
5. We have been informed that the Strategic Delivery Group will manage the delivery of planned interventions, with reports provided to the Strategic

Planning Group, which will include savings /interventions within their assurance report to the IJB. Financial implications will also be reported to the IJB in Finance reports.


6. The IJB is also kept regularly updated on development of the financial plan and the status of budget settlement discussions with the partners. The overall financial context, especially the long term impact of Covid19, remains complex and uncertain, with a number of pressures and risks impacting on future financial sustainability. However, we welcome the focus on planning for investment to support strategic shifts and re-profiling resources to reflect the impact of Covid19 on care delivery. In addition, Angus IJB is investing in its prevention agenda.
7. In common with almost all IJBs, progress with Large Hospital Set Aside (LHSA) has been difficult. We previously commented that work to address this should focus on strategic, holistic solutions which allow the transfer of resources to facilitate improvements in services and shifting the balance of care alongside the technical aspects of LHSA. We note proactive engagement by management and draft proposals have been under discussion with a commitment to achieving a solution during 2023/24.
8. We welcome the review of the Financial Regulations to ensure they reflect both the Integration Scheme and a more current understanding of the operation of the IJB than existed in 2015 when the previous iteration was drafted. A draft of the update was shared with Internal Audit and our feedback reflected within the final version.
9. A full assessment validated by Internal Audit against the CIPFA 'Role of the Chief Finance Officer' has been undertaken and reported to the Audit Committee. The IJB is now generally compliant with the principles. The IJB is now fully compliant with a much improved position compared to the last full assessment in 2018 particularly in relation to issues associated with staff management and finance support. However, the risk of staff turnover in a challenging workforce environment continues to be recognised.

B4 Information Governance:

1. In line with the Scottish Information Sharing Toolkit, an IJB Information Sharing Memorandum of Understanding and Supplementary Memorandum of Understanding are in place with the partner bodies. The two memoranda of understanding cover all aspects of information sharing between the three parties. Policies and processes for data sharing and data handling are in place and available to all Angus HSCP staff via the internal Angus HSCP intranet homepage. During 2022/23, we welcome the development of a Freedom of Information requests process map.
2. Following the approval in February 2019 of the Angus IJB Records Management Plan and Records Management Policy, a first progress report was submitted to the Keeper of Records in November 2020 and approved in April 2021. The intention was to submit a new RMP in 2022 reflecting revised records management arrangements but this has been delayed and is now being progressed in 2023.
3. In June 2019, the IJB approved the Information Governance (IG) Strategy 2019/22 and Supporting Policies (information security, data protection and

access to information). A further report on resources required for implementation was to be provided once negotiations with partners had concluded. In response to a recommendation in the 2021/22 Annual Internal Audit Report, management agreed to review progress with the IG Strategy during 2022/23 with an expectation that the majority of the actions will be complete thereby addressing the original risks identified. As no update had been provided to the April 2023 Audit Committee on this action, the committee agreed *to call in a more detailed update for the August 2023 Audit Committee if matters have not been satisfactorily resolved prior to that point.*

4. In 2022 Angus HSCP formed the Angus Digital Partnership Group bringing together representatives of Angus HSCP services, NHS Tayside and Angus Council to support and develop digital projects which link with and/or impact on the business of the Health and Social Care Partnership.

Action Point Reference 1	
Finding:	
<p>The Risk Management Strategy agreed in April 2021 states that the IJB Board is responsible for 'receipt, review and scrutiny of reports on strategic risks'. However, development, escalation and horizon scanning of risks is currently undertaken at AHSCP CCPG who reports twice a year to the Audit Committee.</p> <p>The new SCP provides an opportunity for the IJB to reflect on whether its current strategic risk register reflects all issues with the potential to stop the organisation achieving its strategic objectives. In our view, the current risk profile does not fully reflect the environment in which the organisation finds itself</p> <p>The cover paper to the SCP, approved by the IJB in April 2023, made reference to the Strategic risk '<i>Failure to deliver on the priorities within the SCP which improve the health and wellbeing outcomes of the population of Angus within available resources</i>'. However, the January 2023 CCPGG had agreed that this risk should be archived as it is based on the old strategic plan and all the mitigation action plans have been completed.</p>	
Audit Recommendation:	
<p>Given the complex and challenging environment in which the IJB is operating, and to provide an anchor for articulating how the new governance and operational structures will work together and provide control and assurance, including current and future arrangements for the delivery and monitoring of transformation projects, we would recommend creation of a new strategic risk on implementation of the new SCP.</p> <p>As part of this exercise, we recommend consideration is given to the impact of future implementation of a National Care Service on the ability of the IJB to deliver its strategic objectives.</p> <p>In line with best practice as described through the Orange Book, the Scottish Public Finance Manual, the CIPFA Delivering Good Governance framework and the Blueprint for Good Governance, risk management is an essential part of governance. We recommend consideration should be given to how IJB members could be involved in the development and agreement of the organisation's risk profile.</p>	
Assessment of Risk:	
<p>Our assessment of the above finding is as follows:</p>	
<p>Significant</p>	 <p>Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores.</p> <p>Requires action to avoid exposure to significant risks to achieving the objectives for area under review.</p>
Management Response/Action:	
<p>A. (including B) At the time of archiving the previous risk around the strategic plan, it was agreed that following approval of the new Strategic Plan that it would be discussed and considered again. The IJB's CCPG will therefore consider the creation</p>	

<p>of a new strategic risk regarding the implementation of the new SCP at an upcoming meeting.</p> <p>C. The IJB members will be invited to attend 2 Strategic Risk Review sessions per year along with risk owners and managers to discuss the strategic risks and be involved in the development and agreement of the risk profile</p>	
Action by:	Date of expected completion:
Head of Service (JG), Clinical Director, CCPG Co-ordinator	A (Including B) – October 2023 C – December 2023 and June 2024

Action Point Reference 2**Finding:**

Following the approval of the new Strategic Commissioning Plan 2023-2026, priorities, key performance indicators and targets are being reviewed and a new dashboard is being developed, so that successful implementation of the strategy can be effectively measured and monitored. The minutes of the June 2022 IJB showed that the Chief Officer highlighted that the IJB would have more engagement and involvement in developing the local measures including target setting.

Audit Recommendation:

When developing the local measures, targets to be set should be realistic and achievable, reflecting the current environment and where possible reporting should be against a meaningful comparison e.g. national average.

We would recommend management consider the following enhancements to the reporting format:

- A short summary of the risk associated with non- achievement of targets;
- Specific improvement actions with target dates;
- Outcomes focussed narrative. For example, rather than reporting a Short Life Working Group meets to address an issue, narrative should detail improvements flowing from the work of the group;
- Where action has been taken to address challenging areas or areas of poor performance, assurance on whether action has been effective should be provided. Where action has not been effective, alternative remedial action should be identified;
- An explanation of any barriers to achievement or potential risks to achievement i.e. horizon scanning. This would provide an early warning when known events / circumstances are likely to impact on achievement of targets. This requires assessment of risks to key services to identify urgent issues that may become critical imminently;
- Executive, Clinical and Management leads for all measures to be referenced in the performance report.

Performance reporting at operational and governance level should overtly demonstrate implementation of the new SCP Delivery plan

We would recommend management consider the following enhancements to the performance reporting format:

- What the performance data shows about current risks
- A short summary of the risk associated with non achievement of targets;
- Specific improvement actions with target dates;
- Outcomes focussed narrative. For example, rather than reporting a Short Life Working Group meets to address an issue, narrative should detail improvements flowing from the work of the group;

- Where action has been taken to address challenging areas or areas of poor performance, assurance on whether action has been effective should be provided. Where action has not been effective, alternative remedial action should be identified;
- An explanation of any barriers to achievement or potential risks to achievement i.e. horizon scanning. This would provide an early warning when known events / circumstances are likely to impact on achievement of targets. This requires assessment of risks to key services to identify urgent issues that may become critical imminently;
- Executive, Clinical and Management leads for all measures need to be included in the performance report.

Assessment of Risk:

Our assessment of the above finding is as follows:

Moderate



Weaknesses in design or implementation of controls which contribute to risk mitigation.

Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.

Management Response/Action:

The Strategic Delivery Group and Performance Steering Group will develop a new reporting template, including reflecting audit recommendations, to:-

1. Monitor progress against the strategic delivery plan with named leads and timescales;
2. Describe improvement actions required and any associated risks; and
3. Detail relevant indicators and outcome of associated actions.


This reporting template will be approved by SPG.


Action by:


Date of expected completion:

Head of Service and Integration Service Manager

October 2023

Action Point Reference 3	
Finding:	
A review of governance structures and their roles and reporting arrangements including all sub-committees and forums was undertaken by management with a key component being the use of Chairs' Assurance reports.	
Audit Recommendation:	
We recommend that as a general principle, Chairs' assurance reports should cover the following topics:	
<ul style="list-style-type: none"> a. Are there any issues which could be a disclosure in the Governance Statement (see below) or should be included within the Committee year-end report? b. Are there any new risks emerging which require escalation to the Board or recording in the Corporate or operational risk registers? c. Is the Committee fulfilling its workplan and if not, would any omissions have an impact on its ability to provide assurance at year-end? d. For the risks delegated to the Committee the following questions should be considered when writing chair's assurance reports: <ul style="list-style-type: none"> • Are the scores correct? • Have there been any significant movements? • Has the committee received assurances that internal controls intended to mitigate the risk are working as intended and are effective? • Does performance reporting support this? • Has the committee received assurances that actions intended to reduce the risk to its target level are working as intended and will be effective? 	
Assessment of Risk:	
Our assessment of the above finding is as follows:	
Moderate	
Weaknesses in design or implementation of controls which contribute to risk mitigation.	
Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.	
Management Response/Action:	
The IJB is committed to introducing Chair's Assurance Reports for SPG, Audit Committee and CCPG. These Audit recommendations will be factored into developing reporting templates.	
Assurance reports, reflecting audit recommendations, to be introduced by August 2023.	
Action by:	Date of expected completion:
Chief Finance Officer/ Head of Service (JG)	August 2023

Action Point Reference 4	
Finding:	
<p>The revised Strategic Commissioning Plan (SCP) 2023 – 2026 clearly states that it may not be affordable over its 3-year duration. The Strategic Financial Plan shows a c£8m shortfall by year 3. Work is ongoing on further developing the SDP, refining actions to be taken and assigning their planned financial impact.</p> <p>New monitoring arrangements have also been agreed but not yet implemented with the new Strategic Delivery Group monitoring the Delivery plan and reporting to the Strategic Planning Group who in turn provide assurance reports and minutes to the IJB.</p>	
Audit Recommendation:	
<p>We recommend the reporting processes and formats to be established for the SDG and SPG should have a clear focus on the success of transformational projects (planned interventions) i.e. what has changed and how services are better delivered, with savings achieved, as a result of transformation. Reporting should provide a rounded view of overall performance, financial sustainability and progress in implementing the priorities set out in the Strategic Plan, linked to assurance on any relevant strategic risks.</p> <p>Financial monitoring reports should also clearly link ‘Planned interventions’ to the SDP and clearly show progress with savings (identified and actually achieved against a planned trajectory) arising from these actions.</p>	
Assessment of Risk:	
<p>Our assessment of the above finding is as follows:</p>	
<p>Significant</p>	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores.</p> <p>Requires action to avoid exposure to significant risks to achieving the objectives for area under review.</p> </div> </div>
Management Response/Action:	
<p>A) As per AP2, progress will be monitored via Strategic Delivery Group and Strategic Planning Group and will be included in Chair’s Assurance Report to the IJB as well as the strategic planning updates as per the IJB workplan.</p> <p>B) Finance reports routinely show progress with delivery of “Planned Interventions”. The IJB will continue to do this in 2023/24 with first reporting starting from August 2023.</p>	
Action by:	Date of expected completion:
<p>A. Head of Service (JG) B. Chief Finance Officer</p>	<p>A. October 2023 B. August 2023</p>

Action Point Reference 5	
Finding:	
The current Terms of Reference of the Performance Steering Group (PSG) do not reflect new governance arrangements including the creation of the PSG or the PSG's direct reporting to the IJB via a Chair's assurance report.	
Audit Recommendation:	
The Terms of Reference for the PSG now require to be updated to reflect the dual role the group will play in supporting the implementation of the new SCP as well as other performance related issues as required by the Executive Management Team (EMT).	
Assessment of Risk:	
Our assessment of the above finding is as follows:	
Merits attention	 <p>There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.</p>
Management Response/Action:	
The terms of Reference for the Performance Steering Group will be updated to reflect dual role.	
Action by:	Date of expected completion:
Head of Service (JG)	August 2023

Action Point Reference 6

Finding:

There is currently no direct reporting to the IJB on its risk profile; nor direct, overt assurance on each of its strategic risks to the IJB. An action to address this area was agreed as part of our 2020/21 annual report but currently remains outstanding due to the demands on management.

The Risk Appetite was approved by the February 2023 IJB and work will now be required to identify how the new risk appetite will affect Strategy, decision-making prioritisation and budget setting and organisational focus, the 'so what?' question, which will be fundamental to making risk appetite real.

Audit Recommendation:

Action point 3 of AN03/22 (Annual Internal Audit Report 2020/21) recommended that assurance on all risks be provided to the IJB, including necessary assurances from partner organisation. This was underlined again in Action point 2 of the 2021/22 Annual internal audit report (AN03/23) and remains to be addressed.

To help the implementation of the Risk Appetite, we recommend that the IJB sets out clearly how :

- risk appetite is taken into consideration as part of decision making
- risk appetite affects monitoring and escalation processes for individual risks
- risk appetite is reflected in target risk scores and how the IJB will understand whether target is actually being achieved

Assessment of Risk:

Our assessment of the above finding is as follows:

Merits
attention



There are generally areas of good practice.

Action may be advised to enhance control or improve operational efficiency.


Management Response/Action:

A) IJB members will be invited to attend 2 Strategic Risk Review sessions per year along with risk owners and managers to discuss the strategic risks and be involved in the development and agreement of the risk profile.

B) Guidance on the application of the Angus IJB risk appetite is being drafted and will be shared with the IJB's Audit Committee.





The guidance will encompass issues such as the current score of the strategic risks being compared to the expressed appetite for the assigned category of risk; when the current score exceeds the risk appetite, additional mitigating actions, will be identified; and increased reporting of a risk being required until the risk is mitigated to within/below the risk appetite.

Action by:	Date of expected completion:
Head of Service (JG), Clinical Director, CCPG Co-ordinator	A. December 2023 and June 2024 B. September 2023

Action Point Reference 7	
Finding:	
<p>A 'Learning from Inspections' SBAR has been agreed which sets out the process for notifying the CCPG team of inspections to be undertaken, their outcomes and improvement plans and will then take responsibility for monitoring actions and sharing learning.</p> <p>The current process does not set out how external findings should be compared to the results of internal control systems to assess the accuracy of internal assurance sources, nor does it include information on how assurance is to be provided to governance level.</p>	
Audit Recommendation:	
<p>We recommend that whenever the results of an external review are received, consideration should include an assessment of whether internal systems should have identified any issues and whether there are any wider assurance implications for other areas covered by the same quality systems.</p> <p>As a development, the Learning from Inspections' procedure should include:</p> <ul style="list-style-type: none"> • Reference to the need for triangulating significant findings from external inspections with the results of internal control systems, especially where internal systems did not identify the same issues. • CCPG assurance reporting to the IJB should include reporting on the outcome of any external reviews and inspections, providing assurance on progress against improvement actions as well as closing the loop. 	
Assessment of Risk:	
<p>Our assessment of the above finding is as follows:</p> <p>Merits attention  There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.</p>	
Management Response/Action:	
<p>Significant findings from external inspections will be triangulated with Quality Assurance Reports and the REFLECT Framework to ensure that local internal control systems are robust (e.g. the IJB will review the output of the Angus Council Adults With Incapacity Audit in this context).</p> <p>CCPG will submit a Chair's assurance report to IJB every second meeting, this will include the outcome of any external reviews and inspections and provide assurance on progress against improvement actions.</p>	
Action by:	Date of expected completion:
Clinical Director and CCPG Co-ordinator	October 2023

Assessment of Risk

To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:

Risk Assessment	Definition	Total
Fundamental	 <p>Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met.</p>	None
Significant	 <p>Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review.</p>	Two
Moderate	 <p>Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.</p>	Two
Merits attention	 <p>There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.</p>	Three