



**ANGUS HEALTH AND SOCIAL CARE**  
**INTEGRATION JOINT BOARD – 23 AUGUST 2023**  
**ANGUS IJB AUDIT COMMITTEE ANNUAL REPORT 2022/23**  
**REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER**

**ABSTRACT**

This Annual Report is provided by the Angus IJB Audit Committee to the Angus IJB. It summarises the work of the IJB Audit Committee during the year 2022/23.

**1. RECOMMENDATIONS**

It is recommended that the Integration Joint Board:-

- (i) Considers the Annual Report of the IJB Audit Committee for the year 2022/23; and
- (ii) Acknowledges the input provided to the IJB Audit Committee from IJB Audit Committee members, and those supporting the IJB Audit Committee including Angus Council Legal and Democratic Services and the IJB's Internal and External Auditors.

**2. BACKGROUND**

Previously it has been agreed that on an annual basis the IJB Audit Committee will provide an Annual Report to the main IJB Board (for example see report 57/22). This annual report will provide a retrospective view of the work undertaken in the year 2022/23.

At the inception of the IJB, and as per report 32/16 (March 2016), the IJB agreed to create a separate IJB Audit Committee with an agreed remit. The constitutional arrangements for the IJB Audit Committee were last reviewed in August 2022. The IJB Audit Committee has met regularly as agreed since 2016 with minutes of the IJB Audit Committee shared with the main IJB Board.

The remit of the IJB Audit Committee is described in the following extract from report 50/22:-

“...the remit of the IJB Audit Committee shall be:-

- (i) to agree the Internal IJB Audit Plan for the Integration Joint Board (without further reference to the Integration Joint Board) and to monitor that plan thereafter;
- (ii) to consider the terms of any external or internal Inspections, assessments or audits of the Integration Joint Board with a view to making recommendations to the Integration Joint Board in respect thereof (excepting there from external or internal inspections, assessments or audits in respect of clinical and/or care governance);
- (iii) to fulfil an oversight function on behalf of the IJB regarding Risk Management activity through receipt of relevant reports; and
- (iv) to scrutinise and approve the annual accounts and Governance Statements.”

The IJB's Audit Committee had previously discussed evolving the remit of the Audit Committee to support the overall governance arrangements of the IJB (e.g. re resource issues). However, in April 2023, the IJB agreed that there would be no fundamental change to the remit of the Audit Committee.

Separately, in April 2023, the IJB agreed to devolve authority to the IJB's Audit Committee to approve changes to the IJB's Financial Regulations and Reserves Policy documents (but not IJB Reserves as such).

Much of the work of the IJB Audit Committee is influenced by the remit of the IJB Audit Committee with an obvious example being work associated with the IJB's Annual Accounts. This example also highlights that the IJB Audit Committee's annual cycle does not evolve around the traditional reporting year (i.e. ending 31<sup>st</sup> March), but runs behind that by a number of months as the previous year's reviews / reports are concluded after 31<sup>st</sup> March of any reporting year.

This report describes the issues covered by the IJB Audit Committee in the 12 months to June 2023. It also notes matters that will be discussed at the August 2023 IJB Audit Committee where these reflect 2022/23 issues.

### 3. CURRENT POSITION

#### 3.1 REPORTS CONSIDERED BY THE IJB AUDIT COMMITTEE – YEAR TO JUNE 2023

The IJB's Audit Committee is scheduled to meet 4 times per annum. This pattern has been in place since the inception of the Committee and is intended to balance the commitments of the members of the Committee and the timeline and breadth of the IJB Audit Committee's remits. From June 2020 the Committee had met remotely, but from April 2023, the IJB's Audit Committee has met using a hybrid format.

Over the period from June 2022 to June 2023, with this period being longer than 1 year to show more than 1 reporting cycle, the Committee considered the following issues: -

Report	June 2022	August 2022	September 2022	December 2022	April 2023	June 2023
<b>Regular Items</b>						
IJB Audit Committee Action Points	✓	✓	-	✓	✓	✓
Governance Actions Plan	✓	✓	-	✓	✓	✓
<b>Items related to Year End Assurances and Accounts</b>						
Review of Role of Chief Finance Officer	-	-	-	-	✓ (22/23)	-
IJB Governance Statement	✓ (21/22)	-	-	-	-	✓ (22/23)
Assurances Received from Partners	-	✓ (21/22)	-	-	-	-
IJB Unaudited Annual Accounts	✓ (21/22)	-	-	-	-	✓ (22/23)
External Audit Plan	-	-	-	-	✓ (22/23)	-
Audited Annual Accounts (including External Audit Annual Report)	-	-	✓ (201/22)	-	-	-
External Audit Annual Report – Review of Actions	-	-	-	✓ (21/22)	✓ (21/22)	-
<b>Internal Audit</b>						
Annual Internal Audit Plan (Including review of Internal Audit Charter)	✓ (22/23)	-	-	-	-	x(See 8 below)
Annual Internal Audit Plan – Progress Report	✓	✓	-	✓	✓	✓
Internal Audit – Follow	✓	✓	-	✓	✓	✓

Report	June 2022	August 2022	September 2022	December 2022	April 2023	June 2023
Up Actions						
Annual Internal Audit Report	✓ (21/22)	-	-	-	-	✓ (22/23)
Internal Audit Report – Commissioned Services	-	-	-	✓	-	-
Internal Audit Report – Sustainability of Primary Care	-	-	-	✓	✓	-
Internal Audit report – Financial Management	-	-	-	-	-	✓
<b>Annual Items</b>						
Reappointment of Chair and Vice Chair	-	-	-	✓ (as part of 79/22)	-	-
Review Terms of Reference	-	-	-	✓ (as part of 79/22)	-	-
IJB Audit Committee Annual Work Plan	-	-	-	-	✓ (23/24)	-
Annual IJB Audit Committee Report to IJB	-	x(See 6 below)	-	-	-	-
Annual Review of Governance Documents	-	-	-	✓	-	-
Risk Management Report (Annual Report and Mid-Year Report)	✓ (21/22)	-	-	✓ (22/23 Mid-Year)	-	✓ (22/23)
Directions Update (Two per year)	-	-	-	✓(See 7 below)	-	✓
<b>One-Off Items</b>						
Update to Financial Regulations	-	-	-	-	✓	-
Update to Reserves Policy	-	-	-	-	-	✓

It can be seen that over a period of more than 1 year, a number of annual activities do re-occur. On that basis a number of issues considered in August / September 2022 will be on the IJB's Audit Committee agenda for August 2023 (including Assurances Received from Partners, External Audit Annual Report and Audited Accounts).

From the above it can be seen activity includes:-

- 1) Regular items including an "Action Point" Update and consideration of Governance Action Plans;
- 2) Items related to Year End Assurances and Accounts – this includes work towards the approval of the IJB's Annual Accounts;
- 3) Items relating to Internal Audit – including plans, reports and follow up action reports;
- 4) Annual Items - including regarding the workings of the Committee, review of Governance Documents and Risk Management and "Directions" reports.
- 5) One-off items – including updates to Financial regulations and IJB Reserves Policy.
- 6) In 2022/23 and due to timing constraints, the Audit Committee did not formally consider its "Annual IJB Audit Committee Report to the IJB" as this was shared with the IJB in August 2022. The report was shared with members prior to being shared with the IJB.
- 7) In 2022/23, the IJB introduced a new "Directions" Policy. One requirement of this was for the IJB's Audit Committee to receive twice-yearly reports regarding IJB progress with Directions.
- 8) In June 2023, the Committee was due to receive a report regarding the 2022/23 Internal Audit Plan. As discussed at that meeting, this item was deferred and is now scheduled for August 2023.

The IJB Audit Committee is also committed to at least one annual development session for IJB Audit Committee members. For 2022/23 this took place in February 2023 and is scheduled to be repeated in October 2023.

From September 2021, the Audit Committee has introduced an unminuted annual private meeting between the IJB's Audit Committee members and the IJB's Internal and External Auditors. In 2022 this took place to coincide with the approval of the IJB's Annual Accounts.

### **3.2 GOVERNANCE ISSUES**

The IJB does have a number of long-standing governance improvement actions, some of which are common to IJBs nationally. These are regularly highlighted to the IJB in the IJB's Finance reports. The Audit Committee continues to monitor progress with these issues which at June 2023 includes outstanding issues regarding: -

- Development of large hospital set aside arrangements with NHS Tayside.
- Development of improved Lead Partner Services arrangements in conjunction with neighbouring IJBs.

While noting the above, after consideration of a range of information including the IJB's Internal Auditor's Annual report for 2022/23, in June 2023, the IJB Audit Committee approved the IJB's Governance Statement for 2022/23. This concluded that:-

"While there remain a number of challenging areas of governance (described above in "Development Issues" section), it is the opinion of the IJB Chairperson and Chief Officer that at 31 March 2023, reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements. We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact. Additionally, systems are in place to regularly review and improve the internal control environment."

Taking this into account, alongside the breadth of reports considered during the year, the IJB's Audit Committee concludes that it has fulfilled its remit and, as noted above, reasonable assurance can be placed on the adequacy and effectiveness of the IJB's governance arrangements.

### **3.3 IJB AUDIT COMMITTEE MEMBERSHIP**

From June 2022, Andrew Jack has undertaken the role of chair of the IJB Audit Committee. At the same time, Kathryn Lindsay agreed to become the Committee's Vice Chair. These positions are reviewed annually as part of the Committee's Annual Work plan.

The membership of the IJB's Audit Committee is dictated by the IJB Audit Committee's constitution. The membership did evolve somewhat in 2022/23. This was largely due to changes in roles within the main IJB Committee. The IJB's Annual Governance Statement, included as part of the IJB's Annual Accounts, routinely documents membership of, and attendance at, IJB Audit Committee meetings. A copy of the relevant extract of the 2022/23 Governance Statement is included at appendix 1.

The constitution of the IJB Audit Committee (as per separate report to the August 2022 IJB), determines that "The membership of the IJB Audit Committee shall be reviewed, re-selected and re-approved by the Integration Joint Board on a three-yearly basis." This three-yearly review last took place in October 2021 and will next take place in 2024.

It is important to acknowledge the input provided by IJB Board Members who are also IJB Audit Committee members. This is an additional commitment over and above IJB Board membership and, due to scheduling of IJB Audit Committees, can make for challenging schedules at certain times of the year due to peaks in IJB Audit Committee-related activity.

The Committee should also acknowledge the input of Angus Council's Legal and Democratic Services and both the IJB's Internal Auditors and External Auditors into the production of papers that are submitted to the IJB's Audit Committee and the running of the Committee generally.

### **3.4 SUMMARY**

As noted at the outset, this report is an annual report to the IJB regarding activity undertaken through the IJB Audit Committee. As can be seen from the above, the work of the IJB Audit

Committee does reflect the remit of the IJB Audit Committee and the annual cycle of governance reviews and reporting (e.g. consideration of annual governance reviews and annual accounts).

**4. PROPOSALS**

Looking forward, the IJB's Audit Committee will continue to fulfil its current remit now including monitoring IJB "Directions" and reviewing Financial Regulations and Reserves Policy. The Committee will also continue to support members with appropriate training opportunities.

**5. FINANCIAL IMPLICATIONS**

No new financial implications reported.

**6. RISK**

There are no new risks other than those referred to in originating IJB Audit Committee reports.

**7. OTHER IMPLICATIONS**

No additional implications reported.

**8. EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment is not required.

**REPORT AUTHOR: ALEXANDER BERRY, Chief Finance Officer**  
**EMAIL DETAILS: tay.angushscp@nhs.scot**

Appendix 1 – IJB Audit Committee Membership