

FTF Internal Audit Service

Angus IJB Annual Report 2023/24 (incorporating Report AN05/24 - Internal Control Evaluation 2023/24)

Issued To: [J Galloway, Chief Officer]
S Berry, Chief Finance Officer

Angus Integration Joint Board Audit Committee
[External Audit]

[C Wyllie, Service Leader - Internal Audit, Angus Council]

Contents

TABLE OF CONTENTS	Page
Section 1 – Annual Internal Audit Report	
Executive Summary	2
Audit Opinion	3
Key Themes	5
Key Developments	6
Section 2 – Internal Control Evaluation	
Ongoing and required developments and actions	7
Section 3	
Definitions of Assurance & Recommendation Priorities	31

Draft Report Issued	19 June 2024
Target Audit Committee Date	26 June 2024
Draft Report issued with management responses tbc	19 June 2024
Management Response Received	tbc
Final Report Issued	tbc

EXECUTIVE SUMMARY

1. The Angus IJB Internal Audit plan is based on a joint risk assessment by Internal Audit and the Chief Finance Officer and approved by the Audit Committee. On a cyclical basis, it provides coverage of all key risks and aspects of governance including Corporate, Clinical, Staff, Financial and Information Governance. Internal Audit is also required to provide the Audit Committee with an annual assurance statement on the adequacy and effectiveness of internal controls.
2. Together, the mid-year Internal Control Evaluation (ICE) and the Annual Report provide assurance on the overall systems of internal control, incorporating the findings of any full reviews undertaken during the year and providing an overview of areas which have not been subject to a full audit. These reviews do not and cannot provide the same level of assurance as a full review but do provide insight into the systems which have not been audited in full.
3. The Integrated Resources Advisory Group 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.
4. 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.
5. 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.*
6. 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.

OBJECTIVE

7. The Annual Report (including the ICE) provides a holistic overview of governance within Angus IJB to provide assurance that there is a sound system of internal control that supports the achievement of the IJB's objectives.
8. This review examined the framework in place during the financial year 2023/2024 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

9. The 2023/24 Internal Audit Annual Report should inform the IJB's judgment on the Governance Statement.

GOVERNANCE STATEMENT AND CONCLUSION

10. 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.
11. The draft NHS Tayside Governance Statement concludes that 'As the appointed Accountable Officer, I am able to conclude 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 2024'. In the NHS Tayside Internal Audit Annual Report for 2023/24, the Chief Internal Auditor concludes that the Board has adequate and effective internal controls in place.
12. Angus Council has drafted a Governance Statement for 2023/24 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*'.
13. Plans are in place to share information on partner assurances before the audited accounts are signed off at the August 2024 Audit Committee meeting, providing the opportunity for the IJB to review any issues of interest to the IJB included in either of the partners' year end conclusions on governance.
14. Angus IJB has produced a draft Governance Statement for 2023/24 which reflects their own assessment for areas for development, setting out several actions to further strengthen governance arrangements. A number of these are complex areas which have remained outstanding for several years and depend on the input of partner bodies.
15. Internal Audit has reviewed and provided commentary on the Governance Statement.
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 2023/24.
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 2023/24.**

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.**

RISK

19. Whilst there is no overarching corporate/strategic risk relevant to this review, our audit specifically considered whether governance arrangements are sufficient, either in design or in execution, to control and direct the organisation to ensure delivery of sound strategic objectives.

INTERNAL CONTROL

20. Following a meeting of Angus IJB in May 2016, FTF were appointed to provide 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. FTF undertakes internal quality reviews against Public Sector Internal Audit standards (PSIAS) every year. No issues of concern were identified in the 2023/24 review. 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 PSIAS. All actions arising from this review are now complete. A further External Quality Assessment will take place during 2024/25.

22. For Angus Council Internal Audit Service, the internal quality assessment undertaken during 2023/24 concluded that the service fully conforms to 12 of the 13 standards, with one assessed as 'generally conforms'.

23. The 2023/24 Internal Audit Plan was approved by the Audit Committee on 23 August 2023. Audit work undertaken in partnership with the Angus Council Internal Audit Service has been sufficient to allow the Chief Internal Auditor to provide their formal opinion on the adequacy and effectiveness of internal controls.

24. As part of our Internal Control Evaluation and Annual Report work, to inform our assessment of the internal control framework, we developed a self-assessment governance checklist which Internal Audit updated and discussed with 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.

25. Internal Audit validated the assessments reached through discussion with management and examination of the supporting evidence and documentation. Based on our work, we can provide assurance on the key arrangements in place at 31 March 2024; any ongoing developments and comment on where further development is needed in 2024/25.

AUDIT FOLLOW UP

26. Ongoing and required developments and recommended actions are included within each governance section of the report.

27. The Internal Audit Annual Report for 2022/23, issued 12 June 2023, was informed by detailed review of formal evidence sources including Board papers and published documents along with discussions with key officers. As well as identifying key themes, the 2022/23 Annual Report made seven specific recommendations on:

- Risk management.
- Performance reporting.
- Chairs' assurance reports.
- Strategic Delivery Group and Strategic Planning Group reporting processes.

- Updates to the Terms of Reference for the Performance Steering Group.
 - Risk Management.
 - External reviews.
28. Progress against these actions is monitored and reported to each meeting of the Audit Committee. Internal Audit has assessed two actions (Chairs assurance reports and PSG Terms of reference) as complete. Detail on Internal Audit's assessment of ongoing action points is provided in the body of the report.
29. In each section of the narrative the latest position on implementation of improvements previously recommended by Internal Audit is colour coded using a RAG status. This shows slippage on most of the previously agreed outstanding actions.
30. It is important that the IJB prioritises outstanding actions and develops a plan to address these systematically and in order of priority. Rather than create new improvement actions within this report for these previously reported actions, this report aims to consolidate remaining actions to avoid duplication in the narrative. New action by dates should be provided by management for all outstanding actions.

KEY THEMES

31. Following approval of the Strategic Commissioning Plan (SCP) in April 2023, an updated Strategic Delivery Plan (SDP) was endorsed in August 2023. Management and governance arrangements need to be embedded, to support delivery of the SCP through further linking of the delivery plan and the financial plan.
32. Angus IJB is reporting an operational underspend for 2023/24 of £4.1 million, with the underspend mostly a result of vacancies and unmet need.
33. The current environment in which the IJB operates is exceptionally complex and extremely challenging. The Audit Scotland report – NHS Scotland 2023, issued February 2024, stated that *'significant service transformation is required to ensure the financial sustainability of Scotland's health service. Rising demand, operational challenges and increasing costs have added to the financial pressures on the NHS and, without reform, its longer-term affordability. The NHS, and its workforce, is unable to meet the growing demand for health services. Activity in secondary care has increased in the last year but it remains below pre-pandemic levels and is outpaced by growing demand. This pressure is creating operational challenges throughout the whole system and is having a direct impact on patient safety and experience.'* Internal Audit have recorded similar concerns and highlighted the strategic changes required. The financial risk for Angus IJB, and its partners, NHS Tayside and Angus Council has continued to increase.
34. Whilst an underspend was reported for 2023/24, Angus IJB has acknowledged that financial sustainability may require a reworking of the SCP. This may require de-prioritising some areas to meet the predicted underlying recurrent overspend of c£9m by the end of the next 3-year strategic financial plan (2024/25-2026/7). We continue to stress the importance of careful monitoring of the implementation of the extant SCP and associated SDP, with a strong focus on transformation and how this contributes to the delivery of sustainable services within available resources.
35. There continues to be limited progress against several difficult, longstanding governance issues with many featuring in the Governance Statement each year. Some are reliant on the engagement of partners to progress; for example Large Hospital Set Aside (LHSA) and Lead Partner services including Mental Health.
36. The Blueprint for Good Governance stresses the importance of collaborative governance. Angus IJB is planning a development session on this topic in October 2024. This is an opportunity to

review implementation of the Integration Scheme and to identify any areas that require strengthening. It may also be beneficial to revisit the FTF Integration principles, particularly to ensure that accountability and authority are appropriately aligned. Partners will need to work together to ensure that they deliver on the integration agenda and must ensure they are clear on their responsibilities in line with the Integration Schemes, and that they fulfil their roles accordingly in the true spirit of integration.

KEY DEVELOPMENTS

37. Key developments since the issue of our 2022/23 Annual Report included:

- Strategic Commissioning Plan 2023-26 approved in April 2023 alongside a Delivery plan.
- Strategic Delivery Group established.
- Updated local performance indicators approved for use in 2024/25.
- Review and embedding of sub committee and forums governance arrangements.
- Approval of the Communication and Engagement Plan 2023-2026.
- Implementation of new Risk reporting processes.
- Resilience Planning Group established.
- Approval of updated Financial Regulations.

ACTION

38. The action plan [has been agreed] with management to address the identified weaknesses. A follow-up of implementation of the agreed actions will be undertaken in accordance with the audit reporting protocol.

ACKNOWLEDGEMENT

39. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

J Lyall BAcc (Hons) CPFA
Chief Internal Auditor

CORPORATE GOVERNANCE

Corporate Risks:

- **Category 1 Responder Duties** - There is a risk that Angus IJB will be unable to evidence that it has the appropriate systems and processes in place to implement the new Category 1 Responders requirements. This could result in Angus IJB not meeting the legal obligations under the Civil Contingencies Act 2004 (**Current Score: 12, Planned Score: 3**)
- **Strategic Commissioning Plan - DRAFT risk, for approval by CCPG in July 2024**

Archived risks:

- **Equalities** - There is a risk that Angus HSCP will be unable to evidence that it has paid due regard to the need to foster good relations within communities by tackling prejudice and promoting understanding, advance equality of opportunity, eliminate discrimination, harassment and victimisation and will not meet its legal obligations under the Equality Act (2010) and other relevant legislation (**Archived January 2024, Score: 9**)

Strategic and Operational planning

The revised Strategic Commissioning Plan (SCP) 2023-2026 was approved by Angus IJB in April 2023, with an acknowledgement of affordability issues. A report on progress to deliver priorities, alongside an updated Strategic Delivery Plan (SDP) was provided to the IJB in August 2023. However, the SDP did not set out the financial impact of actions and was not linked to financial sustainability.

The Strategic Planning Group (SPG) now presents a Chair's Assurance report to the IJB and the Strategic Delivery Group (SDG), which first met in September 2023, has a remit to monitor progress the SCP alongside evaluation of outcomes.

A Performance Steering Group was established during 2022/23 and provides scrutiny and challenge on the progress and achievement of the SCP. The purpose of the group includes providing assurance that best value is achieved from resources, but this is not yet evident in the work of the group.

Our 2022/23 Annual Report recommended that the SDG and SPG reporting processes and formats should have a clear focus on the success of transformational projects (planned interventions). We have been informed that agreement has been reached to use the Pentana Database system to monitor actions and progress and that previous 'planned interventions' have been reviewed and cleansed. The Executive Management Team (EMT) is developing further planned interventions aligned to the SCP actions. While potential options are emerging, these are not yet developed enough to be reflected in corporate plans. We have not made a new recommendation but would stress the importance of a Delivery plan which clearly sets out how the objectives of the SCP are to be achieved linked to financial implications, within a clear monitoring and reporting framework.

Performance

Performance Management Audit Follow Up		
Current Position	Angus IJB self-assessment of progress (April 2024 Audit Committee)	IA Assurance Against Progress
Performance Reporting		
<p>Report AN03/24 Annual Internal Audit Report 2022/23 (issued June 2023) Action Point 2</p> <p>Summary of Original Recommendation:</p> <p>We recommend a range of enhancements to the reporting format for performance reporting. Performance reporting at operational and governance level should overtly demonstrate implementation of the new SCP Delivery Plan.</p> <p>Agreed Action:</p> <p>The Strategic Delivery Group and Performance Steering Group will develop a new reporting template, including reflecting audit recommendations, to: -</p> <ol style="list-style-type: none"> 1. Monitor progress against the strategic delivery plan with named leads and timescales. 2. Describe improvement actions required and any associated risks. 3. Detail relevant indicators and outcome of associated actions. <p>This reporting template will be approved by SPG.</p> <p>Head of Service and Integration Service Manager October 2023</p>	<p>‘Performance Steering Group met on 25 March 2024. Discussions have taken place with service leads to discuss local indicators. Report presented to IJB for approval in April 2024.’</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>

The first bi-annual report on the new SCP was presented to the IJB in February 2024 and provided data on a limited range of indicators. It highlighted that operational performance has been challenging with a decline in performance in four of the five national indicators. Although the report states that improvement actions are being progressed where targets have not been achieved, no further information was provided.

The 2023/24 Quarter 2 data indicates:

- An 8.3% increase in the rate of emergency admissions per 100,000 (18+).
- An 0.8% increase in the emergency bed day rate (per 100,000 population).
- A 2.5% increase in emergency readmissions to hospital within 28 days of discharge per 1,000 discharges (18+).
- A 1.5% increase in the rate of patients admitted to hospital as an emergency due to a fall per 1,000 (65+)
- A 13.9% decrease in the number of days people aged 75+ spend in hospital when they are ready to be discharged per 1,000.

In April 2024, updated local performance indicators were presented to the IJB for approval for use in 2024/25.

Governance Arrangements

The IJB and the Audit Committee met as required during 2023/24. Chairs’ assurance reports for committees and groups have been provided to the IJB since August 2023. The Audit Committee Annual Report was provided to Angus IJB in August 2023 and described work undertaken in year and concluded that the Audit Committee has fulfilled its remit. The Audit Committee 2023/24 Annual Report is planned for presentation to the August 2024 IJB meeting.

The Audit Committee continued its annual review of the status of each element of the suite of governance documents and all were within review timeframes.

Following a decision by the April 2021 IJB, the Audit Committee has continued to monitor progress against the Angus response to proposals from the Ministerial Steering Group (MSG). A small number of difficult longstanding issues have not been resolved. In June 2023, the IJB confirmed it is no longer formally actively pursuing a review of corporate support arrangements but ‘will consistently manage issues on a case by case basis and retain a record of any ad-hoc agreement reached with partners, or any dialogue.’

Long-standing outstanding issues are recognised through the ‘Follow Up Actions and Governance Actions Plan’ report based on previous internal audit recommendations, actions agreed through the MSG Self-Assessment, and mirrored in the IJB’s draft Governance Statement for 2023/24 as areas requiring further improvement.

Action point 1 sets out our recommended treatment of these issues.

In addition, we note that the current process to monitor implementation of agreed improvement actions could be enhanced through the introduction of a validation process, and new due dates should be documented. We recommend that management consider drafting an Audit Follow Up Protocol to clarify roles and responsibilities.

Risk Management

Risk Management Audit Follow Up		
Agreed Management Actions with Dates	Angus IJB self-assessment of progress (April 2024 Audit Committee)	IA Assurance Against Progress
Risk management arrangements for Hosted (Now Lead Partner) Services		
<p>Report AN05/20 Risk Management (issued June 2020) Action Point 6</p> <p>Original Recommendation: The Angus HSCP Improvement plan should specifically include governance and assurance arrangements required from partners and from IJBs hosting services on behalf of the Angus HSCP.</p> <p>Agreed action: As part of the IJB’s review of its Risk Management Strategy & Policy, governance and assurance arrangements required from partners and from IJBs hosting services on behalf of the Angus will be addressed.</p> <p>Chief Officer December 2020</p>	<p>‘New improved financial governance arrangements have been established between the Lead Partners through the introduction of electronic reporting which is updated regularly and is accessible to each Lead Partner, providing the latest information on financial reporting, financial planning, and financial risk against Lead Partner Services. Going forward this information will be shared at the regional Lead Partner Arrangement Meetings.’</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>

<p>IJB Assurance Plan using FTF Assurance Principles & Assurance over Risks</p>		
<p>Report AN03/22 Annual Internal Audit Report 2020/21 (issued June 2021) Action Point 3</p> <p>Original Recommendation:</p> <ul style="list-style-type: none"> Implementation of an assurance plan informed by FTF Assurance Principles. Assurance on each strategic risk including assurance from partners on enabling strategies and governance arrangements. <p>Agreed action: The IJB will request the IJB’s Executive Management Team to consider this recommendation and report back to a future Audit Committee (target December 2021) as part of the mid-year Risk Management update. This update will set out plans to ensure the IJB receives feedback regarding its strategic risks from appropriate sub committees or other forums.</p> <p>Chief Officer and Associate Medical Director as Chair of Angus IJB CCPG</p> <p>December 2021</p>	<p>‘Chair’s Assurance Reports are submitted to every IJB in relation to Audit Committee, Strategic Planning Group and the Clinical Care and Professional Governance Committee. This reflects groups overseeing Risk Management. Mapping exercise required to ensure assurance plan is reflective of all roles of remit of IJB.’</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>
<p>Risk Assurance, including controls and actions operated and implemented by partner bodies, using FTF Committee Assurance principle</p>		
<p>Report AN03/23 Annual Internal Audit Report 2021/22 (issued June 2022) Action Point 2</p> <p>Summary of Original Recommendation: Comprehensive assurance processes over its strategic risks, including controls and actions operated and implemented by partner bodies, we would recommend consideration of relevant aspects of the FTF Committee Assurance Principle.</p> <p>Agreed action: The IJB’s Executive Management Team will consider the FTF Committee Assurance Principles at an upcoming meeting.</p> <p>Chief Officer</p> <p>October 2022</p>	<p>‘AHSCP CCPG agreed a new risk reporting process in May 2023. The purpose of this was ensure that effective risk management is integrated in the way AHSCP leads, directs, manages, and operates. Strategic Risks are reported to CCPG twice a year using the Risk Assurance Report and will be subject to a ‘deep dive’. Where possible this coincides with reporting to IJB to ensure consistency and avoid duplication. We have completed the first cycle; each Strategic risk been presented to CCPG with an accompanying risk assurance report. Engagement with risk management processes has improved and progress against mitigating actions has resulted in a number of risks being archived. The risk template encompasses the FTF Committee assurance principles / questions.’</p> <p>Assessment: Blue (Complete)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>

<p>SCP - Creation of risk including impact of National Care Service IJB member involvement in development of the risk profile</p>		
<p><i>Report AN03/24 Annual Internal Audit Report 2021/22 (issued June 2023) Action Point 1</i></p> <p>Summary of Original Recommendation:</p> <ul style="list-style-type: none"> • Creation of a new strategic risk on implementation of the new SCP. • Consideration of the impact of a National Care Service. • Consideration of how IJB members could be involved in the development and agreement of the organisation’s risk profile. <p>Agreed action:</p> <p>A. and 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 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> <p>Head of Service (JG), Clinical Director, CCPG Co-ordinator</p> <p>Chief Officer</p> <p>A and B – October 2023</p> <p>C – December 2023 and June 2024</p>	<p>‘A and B: Strategic Risk in relation to SDP being drafted’</p> <p>Assessment: Amber (In Progress with minor issues)</p> <p>‘C: IJB Strategic Risk drop-in sessions planned - to take place during lunch time over a week period. Risks will be presented in a timetabled approach to allow members to join and interact with the Risk Owner/Manager. To commence week beginning 12 May 2024’</p> <p>Assessment: Green (On Track)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>
<p>Risk Appetite</p>		
<p><i>Report AN03/24 Annual Internal Audit Report 2021/22 (issued June 2023) Action Point 6</i></p> <p>Summary of Original Recommendation:</p> <p>Consider how:</p> <ul style="list-style-type: none"> • 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 being achieved. <p>Agreed action:</p> <p>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</p>	<p>‘Risk Appetite and review of Strategic Risk Profile Session planned for June 2024’.</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>

<p>involved in the development and agreement of the risk profile.</p> <p>B) Guidance on the application of the Angus IJB risk appetite is being drafted and will be shared with the IJB's Audit Committee.</p> <p>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.</p> <p>Head of Service (JG), Clinical Director, CCPG Co-ordinator</p> <p>A. December 2023 and June 2024</p> <p>B. September 2023</p>		
--	--	--

The scrutiny and management of risks is delegated to the Clinical Care and Professional Governance Group (CCPG) with every second monthly meeting dedicated to risk.

In May 2023, the CCPG agreed that reporting on individual strategic risks would be channelled through the relevant operational group (such as the Workforce Risk to the Workforce Steering Group), to ensure that effective risk management is integrated in the way AHSCP leads, directs, manages and operates.

Each strategic risk is also reported to the CCPG twice a year where it is subject to a 'deep dive'. Management have advised that engagement with risk management processes has improved, and this has contributed to the progress made against mitigating actions which resulted in risks being archived (e.g. Adult Support & Protection and Equalities).

The IJB Strategic Risk Profile is reported to the Audit Committee twice a year. Enhancements have been made to the reporting format and the narrative provided in the mid-year risk management report which provides a high-level overview of each risk, including controls in place and references to relevant linked reports to the IJB (e.g. prescribing or finance). However, there is no system of individual risk assurance reporting at IJB level, as previously recommended by internal audit. A process to exception report new risks scoring over 20, or where a risk has increased to more than 20 to the Audit Committee, out with the timetabled updates, has been agreed but is not yet operational. The mid-year Risk Management report stated that this process will be reviewed over the coming months.

Whilst we are fully supportive of the improvements made and the direction of travel, it is important that the IJB should receive direct, overt assurance on each of its strategic risks at IJB level.

We welcome the approval of the Risk Appetite by the February 2023 IJB. A document providing guidance on how to apply risk appetite is currently being developed.

Changes to the risk profile during 2023/24:

Risk	Previous score (March 2023)	Current score (January 2024)	Movement	Target score
Sustainability of Primary Care Services	25	20	↓	12
Prescribing Management	16	16	→	9
Effective Financial Management	20	20	→	16
Workforce Optimisation	20	16	↓	16
Commissioned Service Provider Failure	12	16	↑	9
Archived Risks				
Adult Support & Protection ARCHIVED	8	8 ARCHIVED	→	12
Non-integration of Adverse event, risk management and complaints ARCHIVED	12	ARCHIVED		
Equalities ARCHIVED	16	9 ARCHIVED	↓	9
New Risks				
Commissioned Services - Unmet need	N/A- new risk	9	↑	9
AHSCP Mental Health	N/A- new risk	15	↑	8
Sustainability of AHSCP Primary Care Services	N/A- new risk	20	↑	12
Category 1 Responder Duties	N/A- new risk	12	↑	3
Eclipse System	N/A- new draft risk	N/A- new draft risk	↑	N/A- new draft risk
Strategic Commissioning Plan	N/A- new draft risk	N/A- new draft risk	↑	N/A- new draft risk

Hosted Services (Lead Partner Arrangements)

Lead Partner Services Audit Follow Up		
Current Position and Target Date	Angus IJB self-assessment of progress (April 2024 Audit Committee)	IA Assurance Against Progress
<p>Governance Action Plan Action 1 – based on: 2018/19 Annual Internal Audit Report, IJB's Governance Statement, and Internal Audit reports AN06/17 & AN05/18</p> <p>Original Recommendation: Hosted Services arrangement to include risk management, performance management and financial monitoring.</p> <p>Agreed Action: IJB intends to develop a consolidated information set regarding locally hosted services covering Finance, Performance and Risks.</p> <p>Chief Finance Officer</p> <p>Originally December 2019; Revised to August 2022</p>	<p>‘New improved financial governance arrangements have been established between the Lead Partners through the induction of electronic reporting which is updated regularly and is accessible to each Lead Partner, providing the latest information on financial reporting, financial planning, and financial risk against Lead Partner Services. Going forward this information will be shared at the regional Lead Partner Arrangement Meetings.’</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>

The Integration Scheme requires Lead Partner Chief Officers to seek approval from the other Tayside IJBs on proposed strategy and to provide reports on those services to the IJBs at least once in every planning period i.e. every 3 years. Internal audit reports over recent years have highlighted that assurances on these services required improvement.

A more detailed update on this area was provided to the December 2023 Audit Committee stating that progress continues to be made in response to a previous recommendation. The Audit Committee was informed that ‘IJBs in Tayside have now set up a Lead Partner Forum with attendance including Heads of Community Health and Care Services and Chief Finance Officers and building on previous Clinical Care Governance arrangements, processes are now better developed for each of Performance, Risk and Financial reporting’.

A new process to share Quality Assurance reports (Clinical Governance reports) for Lead Partner services across all three Clinical Care & Professional Governance Groups is being progressed. This relates to some of the most significant risks across Tayside (i.e. Primary Care and Mental Health). We have been informed that discussions have commenced with the Heads of Service across the three HSCPs to develop a framework and structure. We urge the IJB to progress outstanding recommendations in this area as a matter of urgency.

Communication and Engagement

A new Communication and Engagement Plan 2023-2026 and a Communication and Engagement Strategic Framework Action Plan was approved by the IJB in October 2023. A new section on Communication and Engagement has been added to the IJB report template.

Best Value

Angus IJB reports best value through its annual performance report rather than through a separate assessment. The external auditors concluded in their 2022/23 Annual report that Angus IJB has adequate arrangements in place to demonstrate how it meets Best Value duties.

Resilience

Resilience Audit Follow Up		
Current Position and Target Date	Angus IJB self-assessment of progress (April 2024 Audit Committee)	IA Assurance Against Progress
Civil Contingencies Act		
<p>Report AN03/23 Annual Internal Audit Report 2021/22 (issued June 2022) Action Point 4</p> <p>Original Recommendation: Following the assessment of compliance against the Civil Contingencies Act, we recommend the IJB formulate a work plan in order to clearly articulate their role and responsibilities, what they are required to do, with priorities, targets and a mechanism for reporting and escalation.</p> <p>Agreed Action: The IJB plans to respond to the requirements of the Civil Contingencies Act through 2 workstreams. The first workstream regarding Business Continuity Planning is described in an integrated business continuity planning framework that has been developed and is being rolled out across all IJB service areas by December 2022.</p> <p>The second workstream, focussing on the development and delivery of an integrated emergency planning and response framework, will be completed by March 2023 through the new Angus HSCP Civil Contingencies Steering Group.</p> <p>Head of Service (JG) March 2023</p>	<p>‘Resilience Planning Working Group established in place of subgroups to progress the Resilience Planning Group workplan - the workplan will address the requirements of the Civil Contingencies Act’.</p> <p>Assessment: Blue (Complete) ‘AHSCP Resilience Framework currently being developed with input from partner agencies. First draft circulated for comment completion anticipated May 2024’.</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>

Progress continues to be made to ensure appropriate systems and processes are in place, with updates being provided to the Audit Committee as part of the six-monthly Risk and Resilience report. The Resilience Planning Group has now met, with an additional working group taking forward key pieces of work.

Directions

A revised Directions Policy & Procedure was approved by the IJB in April 2023. Following previous comments by Internal Audit on the monitoring of Directions and how clinical and care governance arrangements will feed into the formation of IJB directions, we are pleased to note the new document makes provision for both issues. The Audit Committee received six monthly reports on the summary status of Directions issued with the next report due in June 2024.

Public Sector Equality Duty (PSED)

We previously reported improvements in the use and publication of Equalities Impact Assessments and related staff training to ensure the organisation is meeting its legal obligations with regard to Equalities. The Equality and Human Rights Commission confirmed in June 2023 that Angus HSCP is fully compliant with the PSED. The related risk was archived in January 2024 with the score reducing to 9. The current Mainstreaming Report and set of Equality Outcomes remain in place with a new mainstreaming report and a progress report on the current set of Equality Outcomes due to be presented to the IJB in August 2024.

Action Point Reference 1 – Audit Follow Up

Finding:

In each section of this report, the latest position on implementation of improvements previously recommended by Internal Audit is colour coded using a RAG status. This shows slippage on the majority of the previously agreed actions currently outstanding. In addition, only two of the seven action points from last year’s annual internal audit report are complete.

There remain a number of long-standing outstanding issues recognised through the ‘Follow Up Actions and Governance Actions Plan’ report based on previous internal audit recommendations, actions agreed through the MSG Self-Assessment, and mirrored in the IJB’s draft Governance Statement for 2023/24 as areas requiring further improvement.

In addition, we note that the current process to monitor implementation of agreed improvement actions could be enhanced through the introduction of a validation process, and new due dates should be documented.

Audit Recommendation:

We reiterate the need for robust monitoring by the Audit Committee and consideration of the consequences of non-achievement on the overall control environment. Barriers to achievement and solutions to address these should be clearly identified, and the Chair’s Assurance report should clearly identify these key governance issues so that the IJB understands their importance, impact and is able to take appropriate action.

Consideration should be given to whether a strategic risk on delivery of key governance improvements is required, including but not limited to governance breaches, non-compliance issues and impact on the reputation of the IJB.

We recommend that management consider drafting an Audit Follow Up Protocol to clarify roles and responsibilities.

Assessment of Risk:

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:

Action by:

Date of expected completion:

CLINICAL GOVERNANCE

Strategic Risks

- **Sustainability of Primary Care Services** – To maintain sustainable Primary Care Services both in and out of hours due to national recruitment issues - **(Current Score: 20, Target score: 12)**
- **AHSCP Mental Health** - As a result of the changing and growing needs of the Angus population, whole system workforce and financial constraints there is a risk that that the current model of care will be unable to deliver high quality, proactive, safe, and person-centred mental health, and well-being service – **(Current Score: 15, Target score: 8)**
- **Sustainability of AHSCP Primary Care Services** – As a result of inability to:
 - Reliably recruit, train, and retain GP workforce (due to national workforce shortage)
 - Reliably recruit and train enough multi-disciplinary teams
 - Have appropriate premises to deliver general practice effectively.
 - Have reliable and adequate digital systems to support clinical care

There is a risk that this may lead to GP Practices handing back their GMS contracts resulting in an inability to deliver safe effective, high quality person-centred care. This could lead to reputational damage and increasing pressures elsewhere in the system including neighbouring practices– **(Current Score: 20, Target score: 12)**

Archived risks:

- **Adult Support & Protection** - Ensuring that the quality of adult protection work within the AHSCP is of a good standard so that risk to the public, to individual services and to member organisations are averted. **(Archived January 2024, Score: 8)**
- **Non-integration of Adverse Event, Risk Management and Complaints Handling** - Risk to effective and integrated adverse event management, risk management, and complaints handling **(Archived May 2023, Score: 12)**

Clinical Governance Audit Follow Up		
Current Position	Angus IJB self-assessment of progress (April 2024 Audit Committee)	IA Assurance Against Progress
External Reviews		
<p><i>Report AN03/24 Annual Internal Audit Report 2021/22 (issued June 2023) Action Point 7</i></p> <p>Summary of Original Recommendation:</p> <p>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 	<p>‘Process in place. CCPG assurance reporting to the IJB will include reporting on the outcome of any external reviews and inspections, providing assurance on progress against improvement actions as well as closing the loop.’</p> <p>Assessment: Blue (Complete)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p> <p>The Clinical Care and Professional Governance report to the IJB now</p>

<p>external reviews and inspections, providing assurance on progress against improvement actions as well as closing the loop.</p> <p>Agreed Action: 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> <p>Clinical Director and CCPG Co-ordinator October 2023</p>		<p>includes information on the outcome of any external inspections and related improvement actions.</p> <p>The element of the action point in relation to triangulating external findings with the results of internal control systems, with assurance provided at governance level needs to be addressed.</p>
---	--	--

The Getting it Right For Everyone (GIRFE) framework operates pan-Tayside and remains extant. The intention is to amalgamate the current NHS Tayside Clinical Governance Strategy and the GIRFE Framework into a new Tayside wide Clinical Governance Framework.

The Angus Clinical, Care & Professional Governance Group (CCPG) provides assurance that there are effective and embedded systems for Clinical, Care & Professional Governance in all services within the HSCP, to the Angus IJB, NHS Tayside Board (through the Care Governance Committee (CGC)) and Angus Council.

Clinical, Care and Professional Governance reports were provided to the June and December 2023 IJB meetings in the format of CCPG annual and Chair’s assurance reports. From April 2024, a comprehensive assurance report based on the NHS Tayside report will be presented to every second meeting of the IJB.

Angus HSCP continues to provide regular, high-quality assurance reports to the NHS Tayside CGC with all reports in year providing substantial or reasonable assurance.

An adverse event dashboard enables an HSCP overview to be provided to every second meeting of the CCPG. Management has advised that weekly summaries of adverse events are circulated to senior management for awareness. The number of overdue adverse events has reduced significantly in year.

The Adult Support & Protection risk was archived in January 2024. The IJB has received no assurances from the Angus Adult Protection Committee since February 2022 with a report planned for June 2024. Although reporting is only required biennially by legislation, the IJB should consider whether it receives appropriate, ongoing assurance on this topic to allow for careful monitoring and appropriate escalation if performance deteriorates or if the risk needs to be reinstated.

Systems and processes are being established to ensure that all three Tayside HSCPs receive copies of reports from other Lead Partner Services to support integration, and effective whole system working.

The 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 Mental Welfare Commission for Scotland requirements for recording guardianships for Adults with Incapacity, which resulted in an audit opinion of ‘No Assurance’. This was referenced in the 2022/23 Governance Statement and an update to the IJB in December 2023 provided assurance that, following a review of the new processes,

matters were progressing and improvement evident. The 2023/24 Draft Governance Statement stated that work remains ongoing in this area. Angus Council Internal Audit service will undertake a follow up audit in 2024/25, the results of which will be reported to Angus IJB Audit Committee.

Addressing a previous internal audit recommendation, the Clinical Care and Professional Governance report to the IJB includes information on the outcome of any external inspections and related improvement actions. Whilst we welcome this step, we reiterate that consideration should be given to the need for triangulating external findings with the results of internal control systems with assurance provided at governance level.

The score for the Tayside-wide Primary Care risk has reduced in year and reasonable assurance was provided to NHS Tayside CGC on this risk. All seven action points arising from Internal Audit report AN05/22 Sustainability of Primary Care, issued in January 2023 and providing limited assurance, are now complete.

In June 2023 Angus IJB approved the Mental Health & Learning Disability Whole System Change Programme which will be the focus of transformational change over the next 2-3 years and has 12 workstreams. The covering paper highlighted the risk that such an ambitious programme could lead to an ongoing pattern of lack of progress and inactivity and additional investment has been requested to be sourced to provide the required capacity.

An update was presented to the December 2023 Angus IJB showing progress in relation to the priority areas with five of the twelve workstreams requiring a revision of milestones and noting that the development of a financial recovery plan for Inpatient Mental Health Services and a strategic finance and resource framework had been delayed. Regular updates are scheduled on the IJB's workplan for 2024/25.

Angus Alcohol and Drug Partnership Annual Report 2022/23 provided reasonable assurance and was presented to the October 2023 IJB. The report provided valuable information on achievements, data, performance and planned future activity.

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 by Angus IJB.

Action Point Reference 2 – Adult Support & Protection	
Finding:	
The IJB have received no assurances from the Angus Adult Protection Committee since February 2022 with the next update planned for June 2024. Adult Support & Protection risk was a strategic risk until it was archived in January 2024.	
Audit Recommendation:	
Although reporting is only required every two years by legislation, the IJB should consider whether it receives appropriate, ongoing assurance on this topic to allow for careful monitoring and appropriate escalation if performance deteriorates, or if the risk needs to be reinstated.	
Assessment of Risk:	
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:	
Action by:	Date of expected completion:

STAFF GOVERNANCE

Strategic Risks

- **Workforce Optimisation** – Bringing together partnership staffing to improve outcomes, efficiency and reduce duplication - **(Current Score 16, Target Score: 16)**
- **Commissioned Service Provider Failure** - assurance that mechanisms for identifying early warning signs that providers operating locally are failing or in difficulty – **(Current Score: 16, Target Score: 9)**
- **Commissioned Service Provider (Unmet Need)** – Unmet need for care at home services occurs when assessed services required by a service user as needed to help them remain at home are not being received due to providers’ lack of available hours. The unavailability of services in the community, particularly for critical priorities, can lead to delayed hospital discharges; admission to respite care home placements; and vulnerable people being left unsupported in the community – **(Current Score: 9, Target Score: 9)**

Workforce Audit Follow Up		
Current Position	Angus IJB self-assessment of progress (April 2024 Audit Committee)	IA Assurance Against Progress
Monitoring of Workforce Action Plan linked to data		
<p>Report AN04/23 Workforce Planning (issued June 2023) Action Point 1</p> <p>Summary of Original Recommendation: To support the monitoring of the Workforce Action plan, we recommend the development of KPIs and the use of data to measure delivery, effectiveness, and impact on risk.</p> <p>Summary of Agreed Action: Commissioned services the Care Home/ Care at Home viability dashboards are complete. Dashboards to be populated and monitored and this data to be added to the workforce core dataset.</p> <p>Core dataset for wider workforce planning purposes to be further developed to include KPIs and further qualitative as well as quantitative data.</p> <p>Head of Service (EMcL) March 2024</p>	<p>‘Care Homes/Care at Home dashboard is operational and monitoring staffing levels across providers to identify risk areas in relation to provider failure. The development of a Tayside minimum dataset has encountered a significant block as NHS Tayside are unwilling to host the dashboard due to information governance issues. The issue has been escalated locally and assistance has been requested from NES to try and resolve this issue. Next steps are to develop an internal Angus wide workforce data dashboard that will combine both above elements, plus identify additional local data required, following which KPI's will be developed’.</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>

Strategic Risk SR08 Workforce Optimisation reduced in year from 20 to the target score of 16.

Internal Audit AN04/23 Workforce Plan was issued in August 2023 and provided reasonable assurance. One action point to develop KPIs and use of data to monitor the Workforce Action Plan remains ongoing. This action point was referenced in the most recent update to the IJB in October 2023 which

highlighted the progress that had been made in the first year of the workforce plan implementation and highlighted the main workforce issues.

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. Whilst the risk score has reduced, vacancies remain an important contributor to the financial underspend position. Whilst this generates non-recurring underspends, it also creates unmet need which may put additional pressures on other service provision. In February 2024, Angus IJB created a £0.900 million Workforce Reserve to support this key strategic risk over the coming years and to help manage any future in-year service pressures associated with workforce issues.

Reflecting on Unmet Need as a factor in the reported underspend for 2023/24, we recommend that Strategic Risk 'Commissioned Service Provider (Unmet Need)' be reviewed to ensure the score appropriately reflects the challenges in this area and whether any further controls and mitigating actions may be required.

The Integration Scheme specifies that *'the parties will agree and maintain appropriate procedures which meet the requirements of the National Whistleblowing Standards and ensures that all staff who work within a Health and Social Care Partnership (across NHS and local authorities) can raise any concerns through the associated procedures. This will also include a requirement to report all concerns to the IJB and NHS Board on a quarterly basis'*.

Reporting processes for Whistleblowing through the Staff Partnership Forum, with the output to be noted in the annual workforce update report to the IJB were previously agreed. However, there has been no reporting in 2022/23 nor 2023/24.

Action Point Reference 3 - Strategic Risk Commissioned Service Provider (Unmet Need)

Finding:

Strategic Risk 'Commissioned Service Provider (Unmet Need)' is currently scored as 9 (its target score). This may not sufficiently reflect Angus IJB's risk exposure in this area given the impact of unmet need in under-delivery of planned services.

Audit Recommendation:

The risk should be evaluated against the overall risk environment to determine whether the score appropriately reflects the challenges in this area and whether any further controls and mitigating actions may be required.

Assessment of Risk:

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:

Action by:

Date of expected completion:

Action Point Reference 4 – Whistleblowing Partnership Assurances	
Finding:	
Reporting requirements on Whistleblowing concerns as specified in the Integration Scheme are not currently fulfilled at governance level.	
Audit Recommendation:	
The IJB should receive regular assurances around the Whistleblowing activities and compliance with the Independent National Whistleblowing Officer’s targets.	
Assessment of Risk:	
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:	
Action by:	Date of expected completion:

FINANCIAL GOVERNANCE

Strategic Risks

- **Financial Management** Failure to develop and implement a balanced financial plan will lead to a risk of unsustainable services (**Current Score: 20, Planned Score: 16**)
- **Prescribing** - The prescribing overspend remains the single most significant cost pressure within the IJB - (**Current Score: 16, Planned Score: 9**)

Finance Audit Follow Up		
Current Position	Angus self-assessment of progress (April 2024 Audit Committee)	IA Assurance Against Progress
SDG & SPG should have a clear focus on the success of transformational projects (planned interventions)		
<p><i>Report AN03/24 Annual Internal Audit Report 2021/22 (issued June 2023) Action Point 4</i></p> <p>Summary of Original Recommendation:</p> <p>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).</p> <p>Reporting to provide a rounded view of overall performance, financial sustainability and progress of SCP linked to risk.</p> <p>Financial monitoring to link ‘Planned interventions’ to the SDP and clearly show progress with savings.</p> <p>Agreed Action:</p> <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> <p>A. Head of Service (JG) October 2023</p> <p>B. Chief Finance Officer August 2023</p>	<p>‘Template being developed to be shared with SPG for comment. Strategic Delivery Group being established which will provide a forum for monitoring progress against plan. The performance steering group are reviewing outcomes and targets which will go to IJB for comment and approval. This information on progress will be included in chair assurance reports’.</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed.</p>
Mental health financial framework		
<p>Governance Action Plan Action 2 – based on: 2018/19 Ministerial Strategic Groups’ (MSG) Review of Integration</p> <p>Original Recommendation:</p>	<p>‘In Patient Mental Health financial accountability issues remain unresolved with operational accountability remaining with NHST.</p>	

<p>Partners to develop financial planning / reporting that reflects their role as a partner with the Health and Social Care Partnership. Agreed Action: Development of LHSA and Mental Health reporting. (LHSA as per item below.) Chief Finance Officer Originally March 2021; Revised to August 2022</p>	<p>At February 2024, an in-year 2023/24 solution has been reached with all 3 IJBs and NHST. No long-term solution yet agreed.’ Assessment: Red (Not on track with major issues)</p>	<p>Slippage Revised completion date to be agreed.</p>
<p>Large Hospital Set Aside</p>		
<p>Governance Action Plan Action 3 – based on: 2018/19 Ministerial Strategic Groups’ (MSG) review of Integration Original Recommendation: NHS Tayside to work with Integration Joint Boards to resolve the Large Hospital Set Aside agenda. Agreed Action: Development of LHSA accountabilities and reporting. Chief Officer/Chief Finance Officer Originally March 2021; Revised to August 2022</p>	<p>‘Regular IJB-level activity reporting now in place via Finance reports. Data quality issues with longterm / multiple years trends. Further work required regionally to translate this into more meaningful accountabilities.’ Assessment: Red (Not on track with major issues)</p>	 <p>Slippage Revised completion date to be agreed.</p>

Risk

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. The risk notes that lack of progress with the delivery of planned interventions, with financial recovery actions and in generating SDP proposals to close out underlying gaps in the Strategic Financial Plan are a collective source of concern. Ultimately, a fundamental revision of the SCP may be the only viable solution and reports to the IJB acknowledge this.

Financial Sustainability

The current Strategic Financial Plan 2023/24 to 2025/26 was first adopted as Angus IJB’s formal budget for 2023/24 at the April 2023 IJB meeting. The IJB requested ‘that a further iteration of the Strategic Financial Plan be brought forward, alongside a further version of the IJB’s Delivery Plan, and possibly the Strategic Commissioning Plan if required, for the August 2023 IJB meeting’. The update presented to the August 2023 IJB meeting acknowledged that several financial risks remained and that these risks could be significant enough to eventually require a future re-working of the financial plan. The IJB approved the updated version of the Strategic Financial Plan for 2023/24.

At February 2024 the reported Angus IJB financial position was a projected year end 2023/24 underspend of circa £3.8 million, mostly attributable to vacancies and unmet need. Angus IJB continues to hold substantial reserves amounting to £21.5 million at March 2024, of which £14.6 million are earmarked.

The most recent report to the February 2024 IJB showed that around 61% of the planned interventions (savings) target for 2023/24 has been achieved with the resultant impact of those not achieved reflected in the future financial plan.

By relying on non-recurring underspends and planned reliance on reserves, the current draft financial plan for 2024/25 to 2026/27 shows a balanced position in the first year, deteriorating to an underlying recurring overspend of c£9m by year 3.

The IJB has articulated that ongoing work towards achieving financial balance includes implementing improvement and financial recovery plans for services with material overspends, resetting baseline

budgets for services (Charging Income, Commissioned Care Home Services, Internal Care Homes and Minor Injury Services approved at the August 2023 IJB) and prescribing interventions.

There continues to be a number of financial issues not fully resolved in the relationship with NHS Tayside, including Inpatient Mental Health and Large Hospital Set Aside. These are set out in the financial governance appendix to the regular finance reports to the IJB and are monitored by the Audit Committee as part of the routine report on follow up actions and Governance plan actions. They also continue to feature in the draft 2023/24 Governance Statement.

The August 2023 iteration of the SDP does not confirm specific actions that can be mapped over to the IJB's Strategic Financial Plan to assist in closing the financial gap. To achieve financial sustainability, it is imperative that transformation programmes deliver recurring savings and the IJB needs to be able to gauge whether transformation schemes and savings plans are having the desired impact. Related internal audit action points (detailed above) remain ongoing, and we have not made any further recommendations.

Financial Reporting

Each meeting of the IJB receives a finance report including a risk assessment, planned interventions (savings) progress, reserves update, and a forecast outturn position. The report also states that reporting throughout the year reflects the management accounting (as opposed to financial accounting) position. This helps to provide members with a clear picture of the underlying financial position.

Use of Reserves

There was a projected overall reduction in reserves of £2.855 million in year with £18.709 million forecast to be remaining at March 2024 before applying the predicted year end underspend. Collectively £2.064 million has been used to support whole system pressures within the IJB's partners with £0.784 million and £1.280 million being passed back to Angus Council and NHS Tayside respectively.

Agreement has been reached with IJB members to use the remaining 2023/24 financial planning reserve (£1.164m) towards improvements in IT interfaces between IJB and partner systems with any remaining balance being available to support wider system pressures through being passed back to partners.

£0.450 million of the projected underspend at year end 2023/24 is to be applied to the contingency reserve in line with the updated Reserves Policy meeting the target 3%.

The IJB carries a number of earmarked reserves aimed at strategic priorities and needs, such as workforce, property, primary care and mental health.

Financial Regulations

Updated Financial Regulations were approved in April 2023, to 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 was reflected within the final version.

An in-depth review against the CIPFA 'Role of the Chief Finance Officer' including independent validation by Internal Audit is carried out every two years. Following the full review for 2022/23, a high-level exception report for 2023/24 reported to the April 2024 Audit Committee concluded that Angus IJB is generally compliant with the principles with the only area for further development being the linkage between financial and performance reporting.

INFORMATION GOVERNANCE

Strategic Risks

- None

Information Governance Audit Follow Up		
Current Position	Angus IJB’s own report on progress (April 2024 Audit Committee)	IA Assurance Against Progress
Review of the Information Governance Strategy		
<p>Report AN03/23 Annual Internal Audit Report 2021/22 (issued June 2022) Action Point 6</p> <p>Original Recommendation: This Strategy will now require to be reviewed, taking into account any impact of Covid19.</p> <p>Summary of Agreed Action: One outstanding area remains the issue of interoperability of client data systems across health and social care which has been highlighted in a recent significant case review. The possible resource implications are currently being considered and will be the subject of a forthcoming report to the IJB (target December 2022).</p> <p>The IJB does intend to review progress with the Strategy during 2022/23 with an expectation that the majority of the actions will be complete thereby addressing the original risks identified. This review is scheduled to be completed by March 2023.</p> <p>Associate Medical Director March 2023</p>	<p>‘The majority of the actions in the previous Information Governance Strategy have now been completed. A new Information Governance Model was proposed and agreed at LMT on 12 December 2023. Formal negotiations have taken place with Angus Council and NHS and further meetings have been arranged with Angus Council to work up the new model. The arrangements with NHS have been confirmed.’</p> <p>Assessment: Amber (In Progress with minor issues)</p>	 <p>Slippage</p> <p>Revised completion date to be agreed</p>

The revised Integration Scheme, section 11, covers information sharing and data handling. The following elements remain in place:

- Memoranda of Understanding which covers all aspects of information sharing between the three parties.
- Policies and processes for data sharing and data handling are available to all AHSCP staff via the internal AHSCP intranet homepage. These include:
 - Records management policy
 - Protection of personal data policy
 - Access to information policy
 - Data protection appropriate policy
 - Information security policy

- Business classification and retention scheme
- Guide to information policy.

Information Governance arrangements are reported through the CCPG and to the appropriate partner fora and the CCPG provides a Chair's Assurance report to the IJB.

The Angus Digital Partnership Group was established in 2022 and brings 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 HSCP.

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		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.	None
Significant		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.	None
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.	Four
Merits attention		There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.	None