

**ANGUS INTEGRATION JOINT BOARD AUDIT COMMITTEE – 26 JUNE 2024****2023/24 ANGUS INTEGRATION JOINT BOARD ANNUAL GOVERNANCE STATEMENT****REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER****ABSTRACT**

This report sets out the Integration Joint Board's (IJB) draft Annual Governance Statement for financial year 2023/24. If approved, this Annual Governance Statement will then be formally included in the IJB's 2023/24 Annual Accounts.

**1. RECOMMENDATIONS**

It is recommended that the IJB Audit Committee: -

- (i) Considers and approves the IJB's 2023/24 Annual Governance Statement;
- (ii) Authorises the Chair of the IJB's Audit Committee to write to Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB confirming the adequacy and effectiveness of the governance arrangements within Angus IJB for 2023/24, including sharing the latest version of the Annual Governance Statement; and
- (iii) Requests that the Chief Finance Officer confirms assurances with respect to NHS Tayside, Angus Council, Dundee IJB and Perth & Kinross IJB prior to the next Angus IJB Audit Committee Meeting regarding reliance being placed on the systems of control within these organisations, in the context of the impact on Angus IJB.

**2. BACKGROUND**

On an annual basis the IJB has to include an Annual Governance Statement within its Annual Accounts. This statement is intended to explain the IJB's governance arrangements and report on the effectiveness of the IJB's systems of internal control.

The statement describes: -

- The Scope and Responsibility of the IJB.
- The IJB's Governance Framework and Systems of Internal Control.
- An update regarding Mental Health governance arrangements.
- An update regarding Adult Protection issues.
- An update regarding Adults with Incapacity issues.
- An update regarding Medicines Governance and associated affordability issues.
- An update regarding Income Management issues.
- Further Development Issues for 2024/25.
- Review of Effectiveness.

It is important to note the following points: -

- The attached draft governance report (appendix 1), once approved, will form part of the unaudited Annual Accounts submitted to the IJB's external auditors.
- Reference is made to views provided by the IJB's Internal Auditors. Those views are informed by work undertaken by Internal Audit, as described in the 2023/24 Annual Internal Audit Report (separate report to June 2024 IJB Audit Committee). As noted in the attached, the IJB's Chief Internal Auditor summarises that "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".

- Reference is made to reliance being placed on the systems of control within each of NHS Tayside, Angus Council, Dundee IJB and Perth & Kinross IJB. In due course, and prior to the next Angus IJB Audit Committee Meeting, the Chief Finance Officer will confirm assurances with respect to Partners re these internal controls and their adequacy and effectiveness. This is expected to generally be through consideration of Partner's Annual Governance Statements. Audit Committee members may recall that this step caused an unexpected delay in the approval of the IJB's Annual Accounts in 2022/23 and this will be taken into account in upcoming months.
- Following from the above, Angus IJB is required to provide reassurance to each of Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB regarding Angus IJB's Systems of Internal Control. It is proposed to do this by asking the Chair of the IJB Audit Committee to confirm to these four parties a view as to the adequacy and effectiveness of Angus IJB's systems of internal control. It is suggested that the following wording is shared with the four parties:-

**“ASSURANCES PROVIDED BY ANGUS INTEGRATION JOINT BOARD**

*Angus Integration Joint Board (Angus IJB) has responsibility for delegated services as described in the IJB's Integration Scheme. Since its inception the IJB has had an Audit Committee with devolved responsibility for a range of governance issues including assessing the adequacy and effectiveness of systems of internal control. As Chair of Angus IJB Audit Committee, considering the work undertaken by Angus IJB Audit Committee in the year 2023/24, I can confirm that adequate and effective governance arrangements were in place throughout Angus IJB during the year 2023/24. This is further described in the attached copy of Angus IJB's Annual Governance Statement.”*

A copy of the most recent version of the Annual Governance Statement would then be provided alongside this statement.

- The Annual Governance Statement acknowledges that a number of the issues from previous years remain outstanding. While some of the delay was previously attributable to the impact of COVID-19, it is important to note that other factors including the complexity of these issues and the requirement to work with other parties (e.g. regarding corporate support), and competing demands across a range of governance and operational issues all are factors in progress to resolving these issues. The IJB continues to receive regular updates on the most important outstanding governance actions.
- Any red text within appendix 1 will be updated later in the process for approving the IJB's Annual Accounts.

**3. CONCLUSIONS**

The IJB's Audit Committee needs to consider and approve the draft Annual Governance Statement and to confirm it is content for the Chair of the IJB Audit Committee to write to Angus Council, NHS Tayside, Dundee IJB and Perth & Kinross IJB providing them with confirmation of the adequacy and effectiveness of the governance arrangements within Angus IJB for 2023/24.

**4. EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment is not required.

**REPORT AUTHOR:** ALEXANDER BERRY, CHIEF FINANCE OFFICER  
**EMAIL DETAILS:** [tay.AngusHSCP@nhs.scot](mailto:tay.AngusHSCP@nhs.scot)

List of Appendices: Appendix 1: Angus IJB's Draft 2023/24 Governance Statement.

## **Appendix 1: Angus IJB Draft 2023/24 Governance Statement**

### **Annual Governance Statement**

#### **Introduction**

In October 2015, the Scottish Government approved Angus IJB's Integration Scheme thus formally constituting the Partnership with the intention of it being responsible for services from 1<sup>st</sup> April 2016. Angus IJB duly assumed responsibility for services from 1<sup>st</sup> April 2016 and this Governance Statement therefore reflects the responsibilities assumed from 1<sup>st</sup> April 2016. The Integration Scheme was subsequently revised and received Ministerial approval in November 2022.

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

#### **Scope and Responsibility**

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively.

To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk and to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Angus Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB. Reliance is similarly placed on Dundee IJB and Perth & Kinross IJB with respect to lead partner services.

The system can only provide reasonable and not absolute assurance of effectiveness.

#### **The Governance Framework and System of Internal Control**

The Board of the IJB comprises voting members, nominated by either NHS Tayside or Angus Council, as well as non-voting members, including a Chief Officer appointed by the Board. Board membership during 2023/24 is documented in the Angus IJB Remuneration Report within the Annual Accounts.

Angus IJB also has an Audit Committee chaired by a member of the IJB and comprising six further IJB members. During 2023/24, the Audit Committee met four times. The Audit Committee conducts its business in line with CIPFA's "Audit Committees: Practical Guidance for Local Authorities and Police" guidance. The Audit Committee's membership at the yearend was as follows: -

Andrew Jack - Chair (attended 4 of 4 meetings).

Chris Boyle (attended 2 of 4 meetings).

Hayley Mearns (attended 2 of 4 meetings).

Councillor George Meechan (attended 4 of 4 meetings).

Nicky Worrall (attended 0 of 0 meetings).

Kirsty Lee (attended 0 of 0 meetings).

Vacancy (one post)

During 2023/24 the following changes in membership were noted: -

- December 2023, Elaine Henry, Registered Medical Practitioner resigned (attended 3 of 4 meetings).
- February 2024 Peter Drury, Non-Executive Board member resigned (attended 3 of 4 meetings).
- February 2024 Kathryn Lindsay, Chief Social Work Officer resigned from the position of Vice Chair (attended 4 of 4 meetings).
- Kirsty Lee, Interim Chief Social Work Officer was appointed to the Audit Committee in February 2024.
- Nicky Worrall, Independent Sector Representative was appointed to the Audit Committee in February 2024
- Although nominations for the post of Vice Chair were initially sought, this was not resolved until April 2024 when Chris Boyle agreed to become the Audit Committee's new Vice Chair.

The main features of the ongoing governance framework in existence during 2023/24 were: -

- Approved Integration Scheme, Standing Orders and Financial Regulations.
- Bi-monthly public meetings of the IJB.
- Code of Conduct and Register of Interests for all IJB members.
- Monthly Executive Management Team meetings.
- Weekly Leadership Management Team meetings until the end of December 2023, then weekly Executive Management Team meetings.
- The Strategic Planning Group met six times in 2023/24 overseeing the IJB's Strategic Commissioning Plan and its implementation.
- The Strategic Delivery Group met five times in 2023/24 with responsibility for monitoring progress and overseeing delivery of the Strategic Commissioning Plan.
- Bi-monthly Performance Steering Group meetings.
- Monthly Clinical, Care and Professional Governance forum with alternating assurance and risk focus. The group oversees the Angus HSCP strategic risks and assurance across all services, including any required reporting to Partner organisations.
- Bi-monthly Staff Partnership forum.
- Audit Committee responsibility for agreeing the Annual Internal Audit Plan, considering the results of any external or internal inspections, assessments, or audits of the IJB, scrutinising the Annual Accounts and Governance Statement of the IJB, over-seeing risk management, and monitoring the progress with "Directions" issued by the IJB. The Audit Committee fulfils its remit in compliance with CIPFA's "Audit Committees – Practical Guidance for Local Authorities and Police".
- The IJB's Audit Committee has a scheduled annual "private" meeting between the IJB's Internal and External Auditors and the members of the IJB's Audit Committee. For 2023/24, it was agreed by all participants not to hold this meeting due to limited discussion points.

- Appointment of Fife, Tayside and Forth Valley Management Services as Internal Auditors for the IJB with support from Angus Council Internal Audit.
- Appointment of Audit Scotland as External Auditors for the IJB for the financial years 2022/23 to 2026/27.
- Chief Officer in post for duration of 2023/24, noting Gail Smith retired 3<sup>rd</sup> December 2023 and was replaced by Jill Galloway on 18<sup>th</sup> December 2023, with Eunice McLennan, Head of Community Health and Social Care, deputising in the intervening period.
- Chief Finance Officer in post for the duration of 2023/24 with the Chief Finance Officer having overall responsibility for the IJB's financial arrangements, being professionally qualified and having suitable experience to lead the IJB's finance function and to direct staff. In line with overall Corporate Support arrangements, the Chief Finance Officer is reliant on the finance support provided by both NHS Tayside and Angus Council. The responsibility for management of associated NHS finance staff and Angus Council finance staff is devolved to the Chief Finance Officer enabling a fully integrated finance team.
- Completion of a review of the "Role of the Chief Finance Officer in Local Government".

The governance framework described above operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision, and delegation. During 2023/24 this included the following: -

- Implementation of the IJB's Risk Management Strategy including enhanced risk management arrangements and processes.
- Implementation of IJB Risk Appetite.
- Review and updating of the IJB's Financial Regulations.
- Provision of regular financial monitoring reports to the IJB.
- Provision of regular budget settlement reports to the IJB.
- Provision of regular Strategic Financial Planning reports to the IJB.
- Approval and delivery of an Annual Internal Audit Plan.
- The implementation of an Internal Control Evaluation through the IJB's Internal Auditors as part of the Annual Internal Audit Plan.
- Continuing to financially plan in compliance with the IJB's Reserve Policy.
- The continued issuing of "Directions" to the IJB's Partner organisations in line with the Directions Policy and Procedure.
- Continued implementation of complaints handling procedure in line with partner organisations, noting improvement work continues to be progressed.
- Implementation of the IJB's GDPR (General Data Protection Regulation) protocols.
- Implementation of Equalities Mainstreaming Reporting.
- Increased inclusion of Equality Impact Assessment information in IJB reporting.
- Continued implementation and progression of the 2022-2025 Workforce Plan with annual monitoring.
- Further review of the Scheme of Delegation.
- Review and updating of the IJB Reserve Policy.

Reliance on the procedures, processes, and systems of Partner organisations for which assurance is received from Partner bodies.

During 2023/24, the Audit Committee considered outputs from the previous year's Internal Audit plan with regard to the IJB's Financial Management (53/23). The Audit Opinion on the level of assurance was of "Reasonable Assurance" i.e. regarding system adequacy "there is a general sound system of governance, risk management and control in place". A series of action points had been agreed and these have all been implemented. In April 2024, the output of "Internal Audit report – Charging for Services Process Follow Up" was considered as part of the 2023/24 Internal Audit Plan and this report noted the Audit IJB could take "substantial assurance" regarding progress being made.

The IJB complies with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA publication) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA publication). The Chief Internal Auditor reports directly to the Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair and members of the IJB Audit Committee on any matter and the right to submit reports directly to the Audit Committee. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Audit Committee.

### **Mental Health – Governance Arrangements**

Mental Health governance arrangements continue to be complicated and challenging across the whole system. However, the revised Integration Scheme has improved the clarity of these arrangements. Furthermore, there has been considerable progress in creating the conditions for whole system collaborative leadership and decision-making, improvements in the reporting of progress across partners, and better involvement and participation of people with lived experience across the programme. Detailed below describes some of the progress that has been made in 2023/24: -

- Refined the priorities previously set out in Listen Learn Change (49 recommendations set out in Trust & Respect report 2018) and Living Life Well strategy (31 workstreams), into a whole system change programme with a smaller number of priorities (five areas of redesign, four enablers and four areas of improvement).
- Established new arrangements for collaborative leadership through the Executive Leadership Group and a revised Programme Board to provide support and challenge for the successful delivery of the Mental Health & Learning Disabilities Whole System Change Programme.
- Enabled and resourced meaningful engagement and co-production with people with lived experience and widening voices through advocacy organisations.
- In partnership with the V&A Dundee, engaged in two "design think accelerators" to support cultural change and enabling people with lived experience and their families, managers, and staff to work together to co-create ideas for change and to develop new skills in service design.
- Initiated the development of a whole system financial framework to shift balance of care from acute to community and to assist the IJBs to move towards a commissioning model.

Whilst this progress is helpful to note, the IJB members continue to be fully aware on the issue of future financial risk sharing regarding mental health services and that this continues to present a medium-term risk to the IJB. Through the IJB's Chief Officer and Chief Financial Officer, and with input from Angus Council's Chief Executive,

Angus IJB continue to participate in constructive senior-level discussions with NHS Tayside and other IJBs aimed at resolving these issues.

## **Adult Protection**

The Multi Agency Inspection of Adult Support and Protection that took place in 2022/23 identified areas for improvement and an action plan was agreed with the Care Inspectorate. All areas for improvement have been progressed and were formally signed off as completed by the Care Inspectorate in January 2024.

In addition, in February 2022 the IJB noted the ongoing work of the Adult Protection Committee partners to finalise a multi-agency improvement plan in response to the Significant Case Review P19. A subgroup was established in 2022/23 to progress the improvement plan and report to an External Scrutiny panel. All of the actions that Angus HSCP had responsibility for have been completed and formally signed off by the mandated subgroup in May 2024.

A separate multi-agency oversight action plan and governance process was developed and implemented across the Partnership from learning reviews undertaken in Angus. All actions have been completed and formally signed off.

During 2023/24 a new process for conducting management oversight and promoting case discussion and reflection in cases subject to adult protection has been implemented. To support this, a regular programme of audit activity has been developed across the Partnership which includes review of case files including Adult Support and Protection (ASP) and thematic reviews.

Additionally, during 2023/24 new leadership and oversight of arrangements have been put in place to ensure support and protection of vulnerable Angus citizens replacing the previous the Adult Protection Committee. Protecting People Angus Strategic Committee (PPASC) was established in April 2024 by the Chief Officers Group.

The PPASC and Clinical Care and Professional Governance Group (CCPG) both have risk frameworks for adult protection, which are reviewed regularly. Adult Protection reports are submitted to the Tayside Chief Officers Group and to the IJB.

## **Adults With Incapacity**

During 2022/23, Angus Council's Internal Audit team undertook an Internal Audit of arrangements for Adults with Incapacity. This reviewed procedures within Adult Social Care, delivered by Angus Health and Social Care Partnership through Angus Council, to ensure compliance with Office of the Public Guardian and Mental Welfare Commission for Scotland requirements in relation to recording guardianships for Adults with Incapacity. The associated report was considered at Angus Council's Scrutiny and Audit Committee on 25 April 2023, and it was noted that the outcome of the audit was one of "No Assurance".

A progress update report was presented to the Angus IJB on 13 December 2023. The IJB agreed to acknowledge the progress made to date to address the concerns outlined in the Audit report including the completion of a full review of the Guardianship process per the recommendations highlighted in the Angus Council Internal Audit Report.

## Medicines Governance and Associated Affordability Issues

During 2023/24, the IJB highlighted a number of unresolved issues to the regional Prescribing Management Group (PMG) regarding issues related to drug funding including issues associated with both the approval and funding of new drug treatments in primary care and the approval and funding for drugs where prescribing responsibilities transferred from secondary care to primary care. While discussion regarding these issues has progressed, further progress is required and, for now, PMG has continued to consider issues with resource implications. Discussions regarding these issues will continue with NHS Tayside and other Tayside IJBs and will also include a review of the overall Terms of Reference of the regional PMG.

## Income Management

During 2019/20 the IJB and Angus Council, initiated a review of income management processes to seek to address emerging operational issues. Work was delayed due to COVID-19 and challenges identifying the resources to support this issue. In June 2021, the IJB's Internal Auditors provided a consultancy-type report on this issue and as part of the 2023/24 internal Audit programme it was agreed to undertake a follow up audit. The follow up audit concluded there is an improvement plan, that actions highlighted in the original review have been implemented as part of the improvement plan, and that there are monitoring and reporting arrangements for the Improvement Plan. The report summarised that the IJB's Audit Committee could take "substantial assurance" that progress is being made with the recommendations of the original audit.

## Further Development Issues

The IJB is required to review the effectiveness of its governance structures regularly. The IJB acknowledges that as an increasingly mature organisation, working in a complicated environment, further development and review of governance structures is still required.

Beyond the issues described above, the IJB's Annual Governance Statement has noted a number of governance "Areas for Improvement" as detailed below: -

Area for Improvement	Lead Officer	Status in 2023/24	Proposals for 2024/25
Development of Large Hospital Set Aside arrangements in conjunction with NHS Tayside	Chief Officer/Chief Finance Officer	Discussions continued to progress with NHS Tayside regarding developing a process to manage changes in the volumes of services used.	Updates to be provided to IJB Board re both status and future developments. Continue to progress discussion with NHS Tayside including work through Planned Care and Unscheduled Care Boards.
Development of improved Lead Partner Services arrangements in	Chief Officer/Chief Finance Officer	Improved financial governance arrangements have been introduced between Lead	This improvement work is nearing completion with a final update to be reported



conjunction with neighbouring IJBs		Partners. Further work has progressed regarding clinical and care governance and updates have been provided to the IJB's Audit Committee	to the IJB Audit Committee.
Develop roles and responsibilities against the Civil Contingencies Act	Chief Officer	The service business continuity plans have all been reviewed against the integrated planning framework. A resilience framework is developed and awaiting feedback from partner agencies.	Updates to be reported to the IJB Audit Committee.
Review of the Information Governance Strategy	Chief Officer	Good progress with developing a new information governance model, with these arrangements confirmed with NHS Tayside and formal negotiations commenced with Angus Council.	The IJB will continue to meet with Angus Council to agree the new information governance arrangements with updates to be reported to the IJB Audit Committee.
Review strategic risk relating to Sustainability of Primary Care Services	Chief Officer	Action points regarding the 2023 Internal Audit report in respect of governance and sustainability issues is complete.	Separately the IJB will continue to be updated on Primary Care sustainability as part of Primary Care updates.

All of the above issues have been noted in previous Annual Governance Statements. The resolution of these issues remains characterised by their complexity and the requirement, for some of them, to work with other parties. The issue of competing demands and varying views across parties does remain a challenge. These issues are highlighted regularly to the IJB and the Audit Committee.

### Review of Effectiveness

As noted, the IJB has responsibility for reviewing the effectiveness of its governance structures regularly. Throughout 2023/24 governance updates have been regularly provided to the IJB's Audit Committee and summarised updates to the IJB.

At the end of 2023/24, the IJB's Chief Internal Auditor reviewed the IJB's governance arrangements and in the IJB's 2023/24 Annual Internal Audit report notes: -

- *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.*
- *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.*
- *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.*

While there remain a number of challenging areas of governance it is the opinion of the IJB Chairperson and Chief Officer that at 31<sup>st</sup> March 2024, 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.

Councillor Julie Bell	Jillian Galloway
Chairperson	Chief Officer
Date tbc	Date tbc