

Integration Joint Board

Agenda item: 4

Date of Meeting: 16 June 2021

Title of Report: Audit & Risk Committee Annual Report 2020-21

Presented by: Sandy Taylor, Chair of Audit & Risk Committee

The Integration Joint Board is asked to:

- Note the annual report from the Chair of the Audit and Risk Committee

1. EXECUTIVE SUMMARY

- 1.1 In line with sound governance principles, an Annual Report is submitted from the Audit & Risk Committee to the Integration Joint Board. This is undertaken to cover the financial year from April 2020 to March 2021. It forms part of the supporting arrangements for the consideration of the draft management commentary and annual governance statement included within the Annual Accounts.
- 1.2 The remit of the Committee was revised and signed off formally by IJB on 27 January 2021.
- 1.3 The Committee has met on 6 occasions throughout the year, with all minutes being submitted to the Integration Joint Board and published as part of those papers. The Committee has been supported throughout the year by the Council's Committee services team and all papers and minutes have been published for members to access on Modern.Gov, the Council's committee management system.
- 1.4 The Committee conducted a self-assessment of its effectiveness on 24 February. The results of this are presented along with reflections from the Chair.

2. INTRODUCTION

- 2.1 This report provides an assessment of the work of the Audit & Risk Committee throughout the last financial year. This work was undertaken against the backdrop of the Covid-19 pandemic. The first scheduled meeting of the year was cancelled due to the level of other operational pressures at that time. However, all other meetings took place as scheduled, albeit on a remote basis using Skype for Business in line with the ongoing requirements to maintain social distancing.

3. DETAIL OF REPORT

3.1 The report is set out in three parts:

- Report of activity
- Self-assessment February 2021
- Committee Membership and Remit
- Reflections of the Chair

3.2 Report of activity

This section sets out a short summary of the items of business considered at each of the 6 meetings of the Audit & Risk Committee held in the year.

3.2.1 21 April 2020 – meeting cancelled

On 27 March the chair of the committee wrote out to all committee members advising that the meeting of 21 April would be cancelled and all non-urgent business deferred to the meeting of 23 June. There was only one urgent piece of business and members were asked to offer feedback on the draft management commentary and annual governance statement in the annual accounts by email before signing off as a committee at the June meeting.

3.2.2 23 June 2020

- Approval of issue of Unaudited annual accounts 2019/20
- Council internal audit plan 2020/21
- Council internal audit follow up report
- NHS Highland internal audit report – Business Continuity Planning November 2019
- Internal Audit Annual report 2019/20 from Scott-Moncrieff
- 2019/20 Internal Audit report on Corporate Governance from Scott-Moncrieff, June 2020
- Enhanced Care Home Oversight report by Head of Adult Services

3.2.3 18 August 2020

- Workforce Planning report by Head of Customer Support Services
- Council internal audit follow up report
- 2020/21 Internal Audit report Financial Monitoring and Planning from Scott-Moncrieff, July 2020

3.2.4 15 September 2020

- Recommendation of approval of Audited Annual Accounts 2019/20 to IJB
- Approval of draft letter of representation to Audit Scotland
- Consideration and noting of key messages in 2019/20 annual audit report from Audit Scotland

3.2.5 20 October 2020

- Review of financial regulations – approval of new section on IJB members expenses, gifts, hospitality and register of interests, and next review to be completed by 31 March 2022
- Approval of new Information Governance policy for approval by IJB
- Approve of plans for tendering the Internal Audit service
- Consideration and noting of key messages from Audit Scotland from their Covid-19 guide for Audit & Risk Committees and self-

assessment against questions posed

- Council Internal Audit report Social Care Contract Management, August 2020

3.2.6 11 December 2020

- 2020/21 Internal Audit report on Impact of New Legislation from Scott-Moncrieff, November 2020
- Council internal audit follow up report
- Approval of corporate governance improvement actions to introduce annual review of work of committees and board performance evaluation
- Approval of new process for monitoring update of strategy and policy documents and introduction of an on-going schedule of Business Administration to be owned by Audit & Risk Committee

3.2.7 23 February 2021

- Internal Audit Follow-up 2020/21 from Azets
- Council internal audit follow up report
- 2020/21 Internal Audit report on IT Strategy and Governance from Azets, December 2020
- Report on outcome of tender for Internal Audit Service
- Consideration of draft HSCP 2021/22 internal audit plan
- Consideration of 2020/21 end of year Accounts timetable
- Report on Best Value in Integration Joint Boards and approach being developed by Accounts Commission for auditing this
- Local Government in Scotland: Financial Overview 2019/20 – Report from Audit Scotland January 2021 – note of key messages for HSCP

3.3 **Self-assessment February 2021**

3.3.1 The self-assessment completed by the Committee on 23 February 2021 is attached at Appendix 1. A number of areas of weakness were noted which should be addressed next year including the following:

- Training for new members of the committee
- Committee should receive more timely information on performance concerns, and implementation of relevant policies and strategies and overall risk management
- Minutes to be more explicit over key issues to be picked up by IJB
- Action tracker required with RAG status
- Workplan to be presented regularly to Committee and refreshed
- Committee to have private meetings with External and Internal Audit (without officers present)

3.4 **Committee Membership and Remit**

3.4.1 The Committee membership consists of 6 IJB members, with only 4 places filled during the year under review. There are 3 vacancies as of 24 March 2021, and appointments are due to be made by the IJB on 31 March 2021. In addition there are 4 required attendees – the Chief Officer, Chief Financial Officer, External Auditor (Audit Scotland) and Internal Auditor (Azets for 2020/21). Other officers attend as required.

3.4.2 The remit was revised during the year and finally signed off by the IJB on 27 January 2021 which included an amendment to the general provisions on reporting to the IJB.

3.5 Reflections of the Chair

3.5.1 It is absolutely appropriate the work of the Committee was set aside for a short time in the early part of this year due to the Covid pandemic as our health and social service services addressed the urgent responses to the many challenges of the pandemic.

3.5.2 Whilst we have returned to a more normal way of working, it will not be the 'old way' of working. The way the IJB will work in the future has changed, and whilst we may not know exactly how things will have changed for some time to come, we can be assured that we will see an incremental financial impact on the cost of delivering our services together with an enduring challenge on our funding.

3.5.3 The work of the Audit and Risk Committee evidences the IJB's commitment to financial and performance accountability, and scrutiny. In my view we have comprehensively fulfilled our remit in terms of consideration of internal and external audit reports, national performance reports and review of annual accounts and the internal control environment. We have not considered risk management systems or the development of the IJB's performance management regime to the same degree this past year and these areas will be returned to in the year ahead. Whilst we have yet to commit to a dedicated scrutiny review, the Committee remains alert to the value of such an approach. Not beyond scrutiny itself, the Committee's self-assessment has created an action plan for the development of the Committee which we will address in the course of the year ahead, as we remain focussed on the IJB's delivery of Best Value, as a learning organisation.

Actions from reports considered

3.5.4 There are a number of areas which the committee has highlighted as posing a risk to good governance for the IJB, and these will be followed up on in the year ahead to ensure that they have been addressed satisfactorily. These include:

- The lack of an ICT and Digital strategy for the IJB which cross references to the strategies of our parent bodies and ensures that their plans meet the needs and aspirations of the IJB;
- There is currently no new legislation tracker which provides assurance to the IJB that the requirements of all new legislation are being met in a controlled and timely manner;
- The committee was concerned that the NHS Highland audit of business continuity found limited evidence of progress since the previous audit in 2016 and there were 5 new grade 3 recommendations covering some fairly fundamental matters. The committee will be looking for assurance that these are addressed within Argyll and Bute.

- 3.5.5 I am pleased to commend the work of the Committee over this past year to the Board and the hard work of all concerned, but specifically of IJB and Council staff and our audit teams as they no doubt faced often other conflicting demands on their time.

4. RELEVANT DATA AND INDICATORS

- 4.1 Minutes of Audit & Risk Committee meetings and related papers in 2020/21.

5. CONTRIBUTION TO STRATEGIC PRIORITIES

- 5.1 This document contributes to good governance of the Integration Joint Board.

6. GOVERNANCE IMPLICATIONS

- 6.1 Financial Impact – The Committee has considered a number of reports relating to the financial sustainability challenges faced by IJBs in Scotland.

- 6.2 Staff Governance – The Committee continues to scrutinise progress on workforce planning.

- 6.3 Clinical Governance – None.

7. PROFESSIONAL ADVISORY

- 7.1 Consideration should be given to this report.

8. EQUALITY AND DIVERSITY IMPLICATIONS

- 8.1 None directly from this report.

9. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

- 9.1 No issues arising directly from this report.

10. RISK ASSESSMENT

- 10.1 The Committee has commented on a number of occasions on key financial sustainability and workforce planning risks for the IJB.

11. PUBLIC AND USER INVOLVEMENT AND ENGAGEMENT

- 11.1 The report draws from findings of 2020/21 internal audits and external audit input. There has been no specific public or user involvement.

12. CONCLUSIONS

- 12.1 The Integration Joint Board is asked to consider the report, and note the work of the Audit and Risk Committee in 2020-21.

13. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

REPORT AUTHOR AND CONTACT

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APPENDICES:

Appendix 1 – Committee self-assessment February 2021