

REPORT TO ABERDEENSHIRE INTEGRATION JOINT BOARD 20 MARCH 2024

IJB AUDIT UPDATE REPORT

1 Recommendation

The Integration Joint Board (IJB) is recommended to:

1.1 Note the following key points and assurances in relation to audit matters.

2. Reason for Report

2.1 This report updates the Aberdeenshire IJB on key issues in relation to Audit.

3. Risk Assurance Group Update – February 2024

3.1 The Risk and Assurance Group (RAG) met on 6 February 2024. The following were the main areas covered at the meeting.

3.2 Risk Register

Strategic Risks

The strategic planning group will now have a role in terms of risk assurance. This group review strategic delivery projects and currently reviews the associated risks. It has been agreed that the strategic planning group will feed into the RAG, if there are any issues in terms of strategic risks.

Update to Collaboration and Leadership Forum (CALF)

The Service and Development manager attended CALF and provided an update on the risk register - this was well received.

Risk Register

4 areas of risks:

- **IJB risks**
- **Clinical risks**
- **Strategic risks**
- **Resource risks**

This group focuses on – **IJB, resource and strategic risks.**

Risk owners with resource risks ranked medium and high continue to be invited to the (RAG) to provide assurance that their risks are being managed, actions taken to reduce the risk and to highlight any support they require in order to mitigate the risk.

3.3 Update on High Risk 3002 - Return of GP contact to HSCP

There is an increasing risk that GP practices may have to take the decision to return their contract due to it being untenable. Service manager outlined that sustainability in general practice is becoming an increasing concern.

An ask was made by the RAG to demonstrate that AHSCP offers escalation of support when practices encounter problems specifically around transition in terms of property and engagement with relevant parties.

The risk level was discussed, and RAG advised that it would be beneficial to consider the various parts of the risk, to conclude an overall risk rating utilising the 5x5 matrix.

The group are assured that all mitigation are in place.

3.4 Update on High Risk 3328 - Buchan Health Visting Team

Advised that as the main issue is around resource. It was recognised that this is a high, long standing risk. RAG requested for this risk to come back to the next meeting, to provide an update on assurance.

3.5 Update on IJB Risk – 1989 - Inadequate Business Continuity arrangements

This is an IJB level risk, which is broken down into two parts.

- Business continuity – medium risk.
- Emergency planning – medium risk.

Business Continuity (BC)

There are now business continuity plans across majority of the AHSCP, apart from strategy and business services. It was clarified that there is a plan around the Joint Equipment Store. There resource issues to complete these plans, but support from Service and Development team is in place with teams to support completion.

Emergency Plans (EP)

AHSCP is a Category 1 responder. Plans are in place and are reviewed/updated each time there is an incident. Lockdown plans are required for each site alongside a response to Martyn's Law. It was noted that lockdown plans are particularly challenging for community hospitals.

Risk Mitigation

- **Resilience Group** – This group reports to SMT and have various mechanisms in consultation and approval.
- **Training** – A number of options have been circulated.
- **Resilience Team** – oversees the preparation of Business Impact Analysis and BC plans with sites and services.

It was recognised that a huge amount of work has been undertaken to mitigate this risk. The group felt assured. Chief Officer gave note of thanks to Jason, Lynn and all the staff who are working on the business continuity plans.

3.6 **Current Internal Audits**

IJB Asset Management

It was agreed that initial scopes of audits would be taken to the RAG.

4 main areas of the asset management audit:

1. Policy
2. Governance and decision making
3. Action plans and process on them
4. Progress and performance reporting.

The RAG agreed the scope which was confirmed with Internal Audit.

Internal Audits

A list of all current Audits will be circulated to the RAG as part of the standard agenda.

Outcomes/Forthcoming Audits

Support at Home – all information has been provided that audit have requested. Awaiting the draft report which will be circulated to the RAG for review and comment.

3.7 **Governance SLWG -**

A final meeting of the group is to be held with most of the work arising from Internal Audit recommendations now having concluded and other areas being actioned through business as usual.

A report will be taken to the RAG regarding any outstanding actions and feedback for where these issues should be reported and which group would have responsibility for any similar issues/pieces of work arising in the future

3.8 Date of Next Meeting of the RAG is Tuesday 16th April 2024

4. IJB Audit Committee Meeting Update – 21 February 2024

4.1 **Action Log**

Integration Joint Board Assurance Group Update – report to be presented to April 2024 meeting of IJB Audit Committee on completion of review of all Groups assurance within the IJB framework.

Audit Committee Governance – Terms of Reference and Development of Assurance Framework – report to be presented to April 2024 meeting of IJB Audit Committee in line with other Groups within the IJB framework.

4.2 **Business Planner**

The Chief Finance and Business Officer introduced the report and highlighted areas of work which were scheduled throughout the year and any relevant updates.

4.3 Internal Audit Update Report

A report was presented by the Chief Internal Auditor which provided an update on Internal Audit's work. Details were provided of the progress against the approved Internal Audit plans, audit recommendations follow up, and other relevant matters for the Committee to be aware of.

The report reminded Members that Internal Audit's primary role was to provide independent and objective assurance on the Board's risk management, control and governance processes. This required a continuous rolling review and appraisal of the internal controls of the Board, and the Council overall, involving the examination and evaluation of the adequacy of systems of risk management, control and governance, making recommendations for improvement where appropriate. Reports were produced relating to each audit assignment and summaries of these were provided to the Audit Committee.

Having heard from the Chief Internal Auditor, the Committee **agreed** to:-

- (1) note the progress on the Internal Audit Plan; and
- (2) agree the progress that management has made with implementing recommendations agreed in Internal Audit reports.

4.4 Internal Audit Plan 2024 - 2027

A report had been circulated by the Chief Internal Auditor which presented the draft Internal Audit Plan for 2024-2027 for discussion and approval. The report explained that it was one of the duties of the IJB Audit Committee to review the activities of the Internal Audit function, including its work programme.

The Chief Internal Auditor presented the Internal Audit Plan for the period 2024-2027 and advised that the plan would be reassessed each year to ensure a three year rolling programme of work was in place. He considered that the Plan addressed the core functions of assurance and would also add value to the Board.

During discussion, the Chief Internal Auditor responded to Members' questions and confirmed that there was flexibility built into the Plan to deal with further issues that may arise and a contingency element was available to ensure there was capacity to support and allow for further items to be brought forward. In addition, the range of work across the Plan and the knowledge that the IJB was working closely with neighbouring IJBs allowed for sharing of knowledge and learning.

Thereafter, the Committee **agreed** to approve the 2024-2027 Internal Audit Plan.

4.5 Risk Assurance Group and Risk Register Update

A report had been circulated by the Service and Development Manager, which provided an update on the status of risks on the IJB and strategic risk register and provided information on the work of the Risk and Assurance Group.

The Chief Finance and Business Officer introduced the report and highlighted key points, including an update from the Risk and Assurance Group and noted that the Strategic Planning Group would have a role in terms of risk assurance going forward and would feed into the Risk and Assurance Group where there were any issues in terms of strategic risks. He also advised that a copy of the Risk Register had been circulated to Members for their information. He highlighted details of a number of reviews which had been considered at the last meeting of the Risk Assurance Group, including one on the risk of return of GP contracts to Health and Social Care Partnerships and one on the issue of resource for the Buchan Health Visiting Team, which was recognised as a long standing risk. He concluded by advising that an internal audit on asset management was ongoing and an update would be provided to the next meeting of the IJB Audit Committee on progress.

During discussion, there was comment on the need to continue to monitor closely the risks identified within the report, in particular the risk of failure to deliver standards of care expected by the people of Aberdeenshire. In addition, there was a need to ensure that communications around expectations would need to reflect that there would not be the same delivery going forward, due to significant budgetary constraints.

Thereafter, the Committee **agreed** to:

- (1) note the update on the status of risks on the IJB and strategic Risk Register;
- (2) note the Risk Register as at January 2024, recognising that it is a live document;
- (3) note that non-clinical/care resource risks, both strategic and operational are reviewed by the Risk and Assurance Group;
- (4) note that clinical and care risks are reviewed by the Clinical and Adult Social Work Governance Group on behalf of the Clinical and Adult Social Work Governance Committee; and
- (5) note the work of the Risk and Assurance Group.

4.6 **Annual Accounts Update 2022- 2023**

A report was circulated by the Chief Finance and Business Officer which asked the Committee to agree the management response to the External Audit Annual Report Action Plan relating to the Financial Statements, Wider Scope and Best Value.

The Chief Finance and Business Officer introduced the report and highlighted the five recommendations that had been contained within the External Auditor's Annual Report –

- Two relating to the Financial Statements Audit and
- Three to the Wider Scope and Best Value.

These recommendations had been considered by Officers and a detailed action plan had been developed to address the recommendations, with management responses and implementation dates provided. He noted that the information would be incorporated into the IJB annual report for 2022-23.

After discussion, the Audit Committee **agreed** the management response to the External Audit Annual Report Action Plan relating to the Financial Statements, Wider Scope and Best Value.

4.7 **Updates from Other Audit Committees**

A report was circulated by the Chief Finance and Business Officer which provided information on relevant issues which had been considered by other local Audit Committees to provide an awareness of relevant audit issues which may have implications for Aberdeenshire IJB.

The Chief Finance and Business Officer introduced the report, which provided an update on the recent meetings of the Audit Committees of –

- NHS Grampian
- Aberdeen City IJB
- Moray IJB

providing a summary of issues which had been under consideration by those committees.

There was discussion of the membership of the NHS Grampian Audit Committee, which comprised 5 Non Executive members, the NHS Grampian Chair, the CEO, Director of Finance, Chief Internal Auditor and the External Auditor. There was also a recognition of the benefits of having an oversight of the work being undertaken by the other partners in terms of benchmarking and flagging any potential implications for the Aberdeenshire Health and Social Care Partnership. It was noted that in terms of vacancy management there was some integrated work ongoing and information on the outcome of this would be welcomed in due course.

After discussion, the Committee agreed to **note** the relevant items that had been under consideration by other local Audit Committees and to **note** the implications for Aberdeenshire IJB.

4.8 **Updates from Audit Scotland Reports**

A report was circulated by the Chief Finance and Business Officer, which provided an update on recent publications from Audit Scotland, including –

- (1) 'How the Accounts Commission holds Local Government to account',
- (2) a Local Government in Scotland Financial Bulletin 2022/23, and
- (3) an IJB finance and performance report 2024 detailing how effectively are IJBs responding to current challenges in the health and social care sector.

The Chief Finance and Business Officer provided a high level summary of the reports and highlighted key issues arising from the reports.

There was discussion of the importance of the role of Internal Audit in terms of helping the IJB to identify areas to consider in order to seek best value and where to achieve recurring savings and to tackle the elimination of waste. In addition, the need to look at the redesigning of existing processes, through transformation, to ensure the most effective use of budgets.

After discussion, the Committee agreed to **note** the details of the publications contained within the report with reference to those matters of relevance to Aberdeenshire IJB.

5. Risks

5.1 IJB Risk 1 Sufficiency and affordability of resource.

6. Monitoring

6.1 The Chief Officer and the Legal Monitoring Officer within Business Services of the Council have been consulted in the preparation of this report and any comments have been incorporated.

7. Equalities, Staffing and Financial Implications

7.1 An equality impact assessment is not required because the recommended actions are not considered to have a differential impact on people with protected characteristics.

7.2 Any staffing and financial implications arising directly as a result of this report are narrated in the report.

Joyce Duncan

Chair – IJB Audit Committee

Reported prepared by

Chris Smith - Chief Finance and Business Officer – 7 March 2024