



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
25 AUGUST 2020

REPORT ON: DUNDEE INTEGRATION JOINT BOARD ANNUAL INTERNAL AUDIT
REPORT 2019/20

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB31-2020

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to advise the Integration Joint Board of the outcome of the Chief Internal Auditor's Report on the Integration Joint Board's internal control framework for the financial year 2019/20.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board

- 2.1 Notes the content and findings of the attached Annual Internal Audit Report 2020/21 (Appendix 1).
- 2.2 Instructs the Chief Finance Officer to bring forward a report to the IJB outlining the actions required to make progress with outstanding governance developments and recommendations as noted in section 4.5 of this report.
- 2.3 Instructs the Chief Finance Officer to incorporate the recommendations of the Annual Internal Audit Report into the IJB's Governance Action Plan, presented to and monitored by the Performance and Audit Committee.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from this report.

4.0 MAIN TEXT

4.1 The Integrated Resources Advisory Group (IRAG), established by the Scottish Government to develop professional guidance, outlines the responsibility of the Integration Joint Board (IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. This guidance also shows 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.

- 4.2 The Performance and Audit Committee agreed at its meeting of the 28th May 2019 (Report PAC24-2019 refers) to continue the arrangement for the provision of Internal Audit Services through the appointment of the Chief Internal Auditor of NHS Tayside to the role of Chief Internal Auditor for the Integration Joint Board with internal audit services provided by FTF Audit and Management Services supported by Dundee City Council's Internal Audit service. The attached report provides the Chief Internal Auditors opinion on the IJB's internal control framework in place for the financial year 2019/20.
- 4.3 The Internal Audit review examined the framework in place during 2019/20 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. In doing so, the review considered the areas of corporate, clinical, staff, financial and information governance.
- 4.4 The IJB's Draft Annual Statement of Accounts 2019/20 includes a Governance Statement based on a self-assessment of the IJB's governance, risk management and control frameworks as they have developed during 2019/20. While highlighting a number of areas of continuous improvement following on from previous years assessments and recommendations from internal and external audit reports, the governance statement has established there are no major issues.
- 4.5 The Chief Internal Auditor has highlighted concerns around the lack of progress made over 2019/20 in relation to a number of recommended developments and improvement actions to strengthen governance arrangements from previous audit activity and reviews. While acknowledging management capacity, complexity of some of the issues and reliance on the contribution of partner bodies have had an impact on progress, the Chief Internal Auditor has recommended that this is escalated from the Performance and Audit Committee to the Integration Joint Board through a report outlining the reasons for the delays and actions required to make progress with these. This will be actioned accordingly. Subject to this recommendation and actions reflected in the governance statement, the Chief Internal Auditors assessment of these frameworks concludes that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2019/20.
- 4.6 The audit report sets out a number of findings and recommendations following their review. A management response, actions and planned completion dates have been set out accordingly. Progress with these actions will be monitored through the Performance and Audit Committee.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been screened for any policy implications in respect of Equality Impact Assessment and Risk Management. There are no major issues.

6.0 RISK ASSESSMENT

Risk 1 Description	There is a risk that if required actions in response to Internal Audit recommendations are not coordinated and acted on appropriately the IJB's governance arrangements will not be adequate and effective.
Risk Category	Governance
Inherent Risk Level	Likelihood 3 x Impact 4 = 12 – High risk
Mitigating Actions (including timescales and resources)	- Implementation and monitoring of governance action plan as recommended by Chief Internal Auditor
Residual Risk Level	Likelihood 2 x Impact 3 = 6 – Moderate Risk
Planned Risk Level	Likelihood 2 x Impact 3 = 6 – Moderate Risk

Approval recommendation	Given the moderate level of planned risk and the expectation that the mitigating action will make the impact necessary to enhance the IJB's governance arrangements the risk should be accepted.
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7.0 CONSULTATIONS

7.1 The Chief Officer and the Clerk along with the Chief Internal Auditor of Dundee IJB were consulted in the preparation of this report.

8.0 DIRECTIONS

8.1 The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in sections 26 to 28 of the Public Bodies (Joint Working)(Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Dundee City Council and NHS Tayside.

Direction Required to Dundee City Council, NHS Tayside or Both	Direction to: Work with the Health and Social Care Partnership in the further development of an action plan to address issues identified with the attached self-assessment.	
	1. No Direction Required	X
	2. Dundee City Council	
	3. NHS Tayside	
	4. Dundee City Council and NHS Tayside	

9.0 BACKGROUND PAPERS

9.1 None.

Dave Berry
Chief Finance Officer

DATE: 21st July 2020

FTF Internal Audit Service

Dundee IJB Internal Audit Service Annual Internal Audit Report 2019/2020

Issued To: V Irons, Chief Officer
D Berry, Chief Finance Officer

D Shaw, Clinical Director
D McCulloch, Chief Social Work Officer

Dundee Integration Joint Board
External Audit

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Draft Report Issued	23 June 2020
Management Responses Received	29 June 2020
Target Audit & Risk Committee Date	N/A
Final Report Issued	15 July 2020

INTRODCUTION AND CONCLUSION

1. The Integrated Resources Advisory Group (IRAG) 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.
2. 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.
3. 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 system of internal control.*
4. 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.
5. This review examined the framework in place during the financial year 2019/2020 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*
6. The results from this work reported within this 2019/20 Annual Internal Audit Report should inform the IJB's judgment on the Governance Statement.
7. For a number of years, Internal Audit has recommended that accountability and responsibilities of the IJB in respect of all governance arrangements should be clarified and agreed by the IJB, and thereafter flow through to risk management and assurance arrangements. Themes identified have been echoed in reports issued by Audit Scotland as well as within the 2019 Ministerial Steering Group for Health and Community Care (MSG) 'Review of Progress with Integration of Health and Social Care'.
8. A self-evaluation of the position in Dundee relating to the MSG report was submitted to the IJB in June 2019. This included actions agreed with Dundee City Council and NHS Tayside, which were to be monitored by the Performance & Audit Committee (PAC) alongside previous, similar actions recommended by Internal Audit.

9. It had been hoped that the MSG Improvement plan would create the impetus required to create an environment in which significant and rapid progress might be achieved. However, although a report on progress should have been taken to the December 2019 IJB meeting, this did not take place and the revised date of the March 2020 PAC to agree the development of a single integrated action plan was cancelled due to Covid-19 which has now prevented any further progress.
10. Eight recommendations were made in our 2018/19 Annual report, many of which were reiterations of incomplete high priority actions from previous reports. Our follow up work showed that although some limited progress has been made, only one of these recommendations had been fully implemented.
11. Although the outstanding actions are included on the Governance Action Plan, which is next due to be reported to the September 2020 meeting of the PAC, it is clear that additional action will be required to ensure that the actions will be delivered.
12. Whilst we note the impact of Covid-19, we would consider that management capacity, the complexity of the issues and, in common with many other IJBs, reliance on the contribution of partner organisations have been the primary cause of delay in this, as in previous years; and we would highlight the number of planned reports to both the IJB and PAC which did not take place as planned.
13. As such we reiterate the need for the PAC to regularly monitor progress in implementing the actions arising for the MSG report combined with previously agreed governance actions, to consider the consequences of any non achievement to the overall control environment and to ensure that these recommendations are given appropriate priority; noting that this issue has not been escalated to the IJB, and has not been mentioned in the Chair's Assurance to the IJB or through any other means.
14. We would recommend that a report be prepared for the issue to be escalated to the IJB, clearly setting out the reasons why these issues have not yet been resolved, the action required to overcome impediments and the implications for governance of failure to implement them on time. There should be evidence of appropriate discussion at the IJB. Reporting like this would be beneficial in future to ensure that any material control weaknesses are highlighted appropriately. If necessary, the escalation discussion should include how to ensure issues requiring input from partner organisations are addressed appropriately, with further escalation to the Working Together Forum, where the Chairs, Council Leaders, Chief Executives and Chief Officers from all partner bodies meet, if necessary.
15. The IJB continues to make good progress strategically and operationally. Review of papers and minutes shows willingness to identify where governance improvements are needed, but as set out above, the ability to implement these is restricted.
16. The previous Chief Officer left the organisation in December 2019 and a special meeting of Dundee IJB in November 2019 appointed a new Chief Officer who took up post in February 2020, with de facto deputisation by the Chief Finance Officer and the Chief Social Work Officer in the interim.
17. During the Covid-19 response, IJB and PAC meetings were suspended but regular briefings were issued and video conferences were held. In addition, contingency arrangements for decision making were put in place with an Essential Business Procedure agreed by the Chief Officer and the Clerk to the Board. We understand that, in time, this will be taken to the IJB for homologation with future arrangements ensuring that regular governance meetings can be held. There may well be benefit in ensuring that contingency support arrangements are available in case of any future difficulties

and that these are discussed and agreed by the IJB Board. At management level, a Silver Command structure was set up in line with national guidance with gold command at the Health Board and Council. An overview report on the Covid-19 response by Dundee IJB is to be discussed at a Q&A session later in June 2020.

18. Whilst this report comments on the governance arrangements in place for 2019/20 which substantively predate the organisation's emergency footing in response to the Covid-19 pandemic, we would highlight that recovery and reconfiguration will require a fundamental assessment of the impact of the pandemic on the assumptions on which the current Strategic Commissioning Plan is based; population need, resource availability and the impact on modes of delivery as well as the potential for further change, alongside the delivery of transformation which will need to be rapid and genuinely transformative. There will also need to be an assessment of the impact on supporting strategies such as Workforce, Finance and IT and a clear assessment of the extent to which partner bodies have the ability and will to support the revised needs of the IJB, how the IJB can influence these, and that these are formally incorporated into their supporting strategies and are appropriately monitored.
19. Work to update strategic risks to include the impact of Covid-19 as well as set out operational Covid-19 risks has already begun. Work on creating the Recovery Plan for DHSCP also commenced in May 2020. We welcome the report on the 'Impact of Covid-19 Pandemic on Strategic Planning Arrangements' provided to IJB members at a Q&A session in June 2020. Covid-19 will have a considerable impact on the IJB's risk profile and given the ongoing improvement work in this area, there is an opportunity fundamentally to revise both the risk register and Risk Management processes, tying in with the development of assurance mapping to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance.
20. Dundee IJB directs more than half of its services from NHS Tayside but is also in an interdependent relationship with both partner bodies in which the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement concludes that corporate governance continues to be strengthened and was operating effectively throughout the financial year ended 31 March 2020. Dundee City Council has drafted a Governance Statement for 2019/20 which concludes that *'The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Council complies with the Local Code of Corporate Governance in all significant respects for 2019/2020. It is proposed over 2020/2021 steps are taken to address the items identified in the Continuous Improvement Agenda to further enhance the Council's governance arrangements.'* In addition, the Dundee City Council Annual Internal Audit Report concluded that the *'that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2020'*.
21. Whilst these statements contain some issues which are of interest to the IJB, neither would give rise to any requirement for consideration in the IJB's Governance Statement. Plans are in place to share information on partner assurances at the September 2020 meeting of the PAC before the audited accounts are signed.
22. The IJB has produced a draft Governance Statement for 2019/20 which reflects the IJB's own assessment for areas for development, setting out a number of actions to further strengthen governance arrangements. It is of concern that a number of these are outstanding from previous years and have previously featured within a number of

Internal Audit Annual reports as well as the MSG improvement plan but we welcome the commitment to address these in 2020-21.

23. 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 2019/20.

24. Based on the work undertaken, I have concluded that:

- **Reliance can be placed on the IJBs governance arrangements and systems of internal controls for 2019/20.**

25. 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.**

ACTION

26. The IJB is asked to note this report in evaluating the internal control environment for 2019/20 and consider any actions to be taken on the issues reported for consideration.

INTERNAL CONTROL

27. Following a meeting of Dundee IJB in May 2016, FTF were appointed as the IJB's Internal Audit Service. The PAC has approved the Internal Audit Charter 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).

28. 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 International Professional Practice Framework (IPPF). An External Quality Assessment (EQA) action plan is in place and being monitored through the NHS Tayside Audit & Risk Committee, with 2 actions remaining outstanding. We are in the process of updating our self assessment of the EQA requirements. For Dundee City Council Internal Audit, an EQA in 2018 concluded that the Council's Internal Audit service fully conforms to 11 of the 13 standards and generally conforms to the remaining two.

29. As noted during discussions for the PAC meeting in November 2019, the number of carried forward days from previous annual audit plans has been a significant factor causing changes to target dates for reporting. The complexity of the control environment for IJBs, the demand on IJB management time to feed into the audit process; as well as the time taken to clear reports with the range of parties involved particularly during the Covid-19 pandemic means that audits planned for 2019/20 will not be reported by year-end.

30. Internal Audit have met with the Chief Officer, Chief Finance Officer and the Chief Social Work Officer to risk assess the substantive audit reviews affected. However, the audit work undertaken on the year end governance checklist (see below), has been sufficient to allow the Chief Internal Auditor to provide his formal opinion on the adequacy and effectiveness of internal controls.

31. To inform our assessment of the internal control framework, we developed a self assessment governance checklist for completion by management compiled from the

relevant requirements of Integration Scheme, guidance issued by the Scottish Government as well as the CIPFA 'Delivering Good Governance in Local Government Framework 2016' and supporting guidance notes for Scottish Authorities. Our update of the checklist for 2019/20 focused on the improvement plans developed in response to the February 2019 'Review of Progress with Integration of Health and Social Care' by the Ministerial Strategic Group for Health and Community Care; the governance response to the Covid-19 pandemic and reference to updated national guidance.

32. Internal Audit validated the assessments reached through discussion with management and examination of the supporting evidence and documentation. Based on this work, we can provide assurance on the following key arrangements in place by 31 March 2020, comment on where further development is needed in 2020/21 and recommend further issues for consideration by management.
33. As previously reported in our Annual Internal Audit Reports for 2017/18 and 2018/19, it is vital that the Audit & Performance Committee continues to monitor progress regularly in implementing agreed actions and understands the consequences and risks associated with non achievement or slippage in the Governance Action Plan and MSG Improvement Plan in overall context.

34. Our evaluation of the IJB's Governance Framework is summarised below:

A – Corporate Governance	
Key arrangements in place as at year end 2019/20 as well as planned and ongoing developments	
I.	A revised Scheme of Delegation was adopted at the April 2019 IJB meeting. The revisions provide further transparency to the specific delegated powers to IJB officers and the role of the Chief Social Work Officer.
II.	At that meeting, the IJB was updated on Governance principles developed by a pan-Tayside short life working group. The IJB requested that an agreement is reached between Dundee City Council and NHS Tayside on governance principles for Dundee IJB but no further update was provided in the following 12 months. An in-depth review of the Integration Scheme, due in 2020, which might have addressed governance principles as well as governance and accountability themes arising from previous internal audits and the MSG and Audit Scotland reports, has been delayed in accordance with Covid-19 guidance received from Scottish Government.
III.	The Scottish Government advice did however include provision for at least a de minimis review. Given that there are still a number of key governance issues to be addressed together with formalisation of the revised arrangements for Inpatient Mental Health provision, we would suggest that the particular circumstances in Dundee will require a more fundamental review.
IV.	Dundee IJB did undertake a self assessment against the proposals MSG report which was presented to the IJB in June 2019. This included actions agreed with Dundee City Council and NHS Tayside, which were to be monitored by the PAC alongside previous, similar actions recommended by Internal Audit. However, although it was agreed that a further report on progress would be brought to the IJB in December 2019 this did not take place. A planned paper to the March 2020 PAC to agree the development of a single integrated action plan was halted by Covid-19 response.
V.	A Governance Action plan covering actions agreed through previous internal reports (including annual internal audit reports) as well as external audit recommendations, was developed and first presented in March 2019, with progress reports presented to all PAC meetings in May, September and November 2019. As reported to PAC in November 2019, a total of 42 actions were being monitored. Fifteen were complete, 23 'In Progress' and 4 'Behind Schedule' with delays stated as being <i>'due to challenges in meeting a range of priorities with limited resources available to progress within the Health and Social Care Partnership'</i> . <i>'Progress is being made in strengthening the support structure and realigning priorities to ensure these actions are completed over the course of this financial year'</i> . We would highlight that the report format does not allow straightforward assessment of progress since the last report.
VI.	In response to the Internal Audit assessment of risk maturity, a Risk Management Action Plan was developed and approved by the PAC on 12 February 2019. Again, the planned progress update to PAC in September 2019 did not occur. We are aware from our discussions with management that Dundee IJB continues to develop its Risk Management arrangements, in line

with work ongoing across Tayside partnerships; however, no monitoring of corporate risks has taken place at governance level during the year, contrary to previous Internal Audit recommendations. DIJB's strategic risk register has been updated to include the impact of Covid-19. In addition, Locality Managers have been working together to identify risks for a specific DHSCP Covid-19 Risk Register. The process of recovery planning will provide the opportunity to revisit the organisation's risk profile based on the review of the strategic plan.

- VII. Dundee IJB has also identified improvement actions based on learning from Joint Inspection (Adults): The effectiveness of strategic planning in other IJB regions (North Ayrshire and Perth & Kinross). Improvement action plans were to be reported to the PAC (November 2019 and March 2020 respectively) which did not take place, although we have been informed that the report was reviewed by the Clinical, Care and Professional Governance Group and other relevant stakeholder groups.
- VIII. The remit of the PAC requires a minimum of 3 meetings per financial year. The PAC did meet on three occasions during 2019/20. However, the February 2020 meeting was cancelled due to quoracy issues. Both March and June 2020 meetings were cancelled due to the ongoing COVID-19 pandemic. If the next planned meeting in September 2020 is to go ahead, the PAC would not have met for 10 months. Combined with a lack of capacity to progress actions, this leaves a gap in the focus on progressing actions identified for improvement, especially taking into account known issues of participation and frequent changes of membership, particularly from Health Board members.
- IX. We commend good practice that following each meeting, a Chair's assurance report is provided to the IJB which gives a clear statement on the work of the committee and particularly any issues to be highlighted to the Board, which we would have expected to include the delays in implementing agreed actions.
- X. The 2018/19 Annual Performance report was submitted to the IJB for approval in June 2019. Work is ongoing to publish a summary annual performance report for Dundee IJB 2019/20 by the end of July 2020, with a full annual performance report now planned to come in October 2020; due to the impact of Covid-19 on data collection and management time. Performance during the year was monitored at the PAC with the most recent summary performance report to the September 2019 PAC meeting relating to Quarter 1. In addition, detailed reports on falls and complaints performance were discussed by the PAC in November 2019. This leaves a gap of nearly a year in regular performance monitoring at governance level, although we commend the quality of the performance reporting provided to the PAC.
- XI. The Participation and Engagement Strategy was approved in December 2019 and the IJB instructed the ISPG to further develop the Framework for Engagement and the CFO to ensure progress in implementation was reported to the IJB in future.
- XII. An update was given regarding the Dundee Primary Care Improvement Plan in June 2019. It was noted that there had been positive progress to implement the 2018/19 plan and proposed actions for 2019/20 were approved. A further report on progress during the second year of the plan is expected a future meeting of the IJB though no date was agreed.
- XIII. New voting members on the IJB were approved in June and August 2019, as well

	<p>as February 2020. However, the Registered Medical Practitioner (non-voting member of the IJB) retired in November 2019 and the IJB has not yet been advised by NHS Tayside of their replacement.</p>
XIV.	<p>During 2018/19, Dundee IJB amended its committee report template to include a section on directions to ensure clarity where the IJB is asked to make a decision. New SG guidance on directions issued in January 2020 has however not yet been presented and discussed at governance level to identify any further improvements needed. We identified instances where a clearer use could have been made of directions and, as in previous years, note that directions are very high level and do not provide the detail now expected.</p>
XV.	<p>Internal Audit report D05/18 Transformation and Service Redesign recognised that there has been a conscious effort made by management to bring together and co-ordinate the disparate strands of the transformational change programmes, but assessed arrangements currently in place as inadequate (Category D). A detailed action plan has been agreed by management and presented to the PAC who should monitor progress.</p>
XVI.	<p>It is clear from the 2020/21 budget that there is a risk of a material shortfall in resources to deliver the Strategic plan, therefore reporting on transformational change to the IJB should reflect its importance to the IJB, focused on providing an overall picture of progress and risks to delivery. Whilst we have evidenced a number of service redesign projects being monitored separately at IJB level, we would reiterate the need for a holistic overview.</p>
XVII.	<p>This is against a backdrop since our Annual Internal Audit Report for 2017/18, where it was noted that it was intended to frame the performance report information in the context of the delivery plan to ensure that operational delivery of the new Strategic Commissioning Plan can be monitored. We recommended a Delivery plan to track actions which will support implementation of the Strategic Commissioning Plan. Our review of governance reports during 2019/20 shows a number of additional plans, strategies and frameworks agreed without clearly signposting how these align around the objectives identified in the Strategic Commissioning Plan.</p>
XVIII.	<p>The Winter Plan (2019/2020) – NHS Tayside And Partner Organisations was approved in October 2019 before being submitted to the Scottish Government. Minutes state <i>'that the submission of the Winter Plan to the Scottish Government be accompanied with a statement from the Chief Officer emphasising that whilst every effort had been made to anticipate the potential implications of the winter period should there be unprecedented exceptional circumstances, the Winter Plan may be insufficient to manage the increased - demand for services and any implications for staffing, capacity or service delivery.'</i> This risk is not included within the current strategic risk register.</p>
<p>B – Clinical & Care Governance/ Financial Governance/ Staff Governance/ Information</p>	

Governance
Key arrangements in place as at year end 2019/20 as well as planned and ongoing developments
B1- Financial Governance
<p>I. Financial Monitoring Reports were regularly considered by the IJB throughout 2019/20, including details on hosted services' financial position and a projected outturn position.</p> <p>II. The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31 December 2019 shows a net projected overspend position at the year-end of nearly £4m. Although the financial monitoring report includes reporting on recovery actions, this information is insufficient to provide an overview of progress with service redesign activity aimed at aligning corporate objectives and available resources.</p> <p>XIX. As part of the 2020/21 budget setting process for the IJB and NHS Tayside, the Chief Officer and Chief Finance Officer have had discussions with the Interim Director of Finance for NHS Tayside with regard to progressing the commissioning and financial framework around the Large Hospital Set Aside. This work will be progressed with the relevant parties within Angus and Perth and Kinross IJB's over the coming months with a view to ensuring the Scottish Government's stated position of releasing 50% of savings from the acute sector for investment by Integration Joint Boards.</p> <p>XX. The IJB was provided with regular updates on the development of the 2020/21 Budget throughout 2019/20. The proposed 2020/21 budget provided to IJB members at a Q&A session in June 2020 projects a deficit in funding of £2.342m in 2020/21. This includes provision within NHS Tayside's financial plan 2020/21 to transfer £1m of resources to Dundee IJB on a recurring basis to reflect a sustained reduction in the number of occupied bed days by Dundee residents since the baseline year 2015/16.</p>
B2 – Clinical & Care Governance
<p>I. Substantial progress has been reported in implementing actions in response to internal audit report D07/17 - Clinical, Care & Professional Governance, but a number of complex issues including hosted services, especially Mental Health, remain. A report to P&K IJB highlighted serious concerns in relation to assurances around Acute Mental Health in particular and a working group including representatives from Dundee IJB is taking forward the development of a substantially revised clinical and care governance framework.</p> <p>II. We welcome the quarterly complaints performance monitoring to the PAC as well as the reporting in year from the Clinical, Care and Professional Group through Governance Reports and Chairs Assurance Reports to the PAC in September and November 2019. However, the equivalent annual conclusion as provided in June 2019 is not available at this point due to the cancellation of meetings. Arrangements for Clinical and Care assurance are currently being considered by the partner bodies across the NHS Tayside area. Whilst these have been delayed due to Covid-19, it is anticipated that these will further enhance the arrangements already in place in Dundee IJB, provide greater clarity on</p>

<p>assurances between bodies and address known weaknesses in relation to assurance on hosted services, most particularly within Inpatient Mental health.</p> <p>III. The Chief Social Work Officer's Annual Report 2018/19 was reported in October 2019 and whilst it sets out a number of achievements as well as challenges and priorities for the way ahead. In line with the national template, the report does not include an overall conclusion on the adequacy and effectiveness of the quality and safety of care, therefore the arrangements being developed as per Para II above will need to include alternative methods of providing this assurance.</p> <p>IV. Adult Support And Protection Committee – Independent Convenor's Midterm Report 2018/2019 was presented to the IJB in February 2020, including progress made in developing an effective partnership response to adult support and protection issues in the city and progress against recommendations made by the Independent Convenor in the Biennial Report 2016-18 and the development of the Adult Support and Protection Delivery Plan 2019/20. The Dundee Child Protection Committee Annual Report 2018/2019 including information on the development of the Child Delivery Plan was also presented.</p> <p>V. An action plan based on '<i>Dundee Drugs Commission Report – Responding To Drug Use With Kindness, Compassion And Hope</i>' has been developed. The January 2020 NHS Tayside Clinical Quality Forum In considered escalation of these actions to the NHS Tayside Care Governance Committee but did not recommend this given that the action plan should have been subject to regular review by the Dundee IJB Clinical, Care and Professional Governance Group. However, due to the cancellations of the PAC since November 2019, no reporting has been received at governance level for Dundee IJB to provide assurance that this key area is being reviewed.</p> <p>VI. The Final Report Of The Independent Inquiry Into Mental Health Services In Tayside – 'Trust And Respect' was presented to Dundee IJB in February 2020, noting the intention to develop a comprehensive action plan with an update originally planned for April 2020. This has been delayed due to the Covid-19 response.</p>

B3 - Staff Governance

<p>I. The IJB received a report on the Health And Care (Staffing) (Scotland) Act 2019 in February 2020. The legislation creates a new statutory duty on Health Boards and registered providers to provide safe staffing through the use of evidence based decision-making in relation to staff requirements and is to be implemented from 1 April 2020. The report recommended that the IJB 'instructs the Chief Officer to bring forward a Workforce Plan for Dundee Health and Social Care Partnership by June 2020 and review this in light of any formal guidance received from the Scottish Government.'</p> <p>II. We welcome the fact that the PAC provided a forum for discussion of the Audit Scotland report on NHS Workforce Planning (part 2). PAC agreed to instruct the Chief Officer to consider the findings of the report when developing the Dundee Health and Social Care Partnership's Integrated Workforce Plan prior to submission to the Integration Joint Board for approval in addition to the Primary Care Improvement Plan.</p> <p>III. However, progress in relation to the actions arising from Internal Audit report</p>
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D06/17 Workforce originally envisaged for August 2018 remains behind schedule, including the production of a workforce plan which is now planned for October 2020, noting that clarity is still required over responsibility for developing and providing assurance on the implementation of workforce plans.

B4- Information Governance

- IV. Internal audit report D04/19 'Information Governance & Technology as Enablers' was issued in January 2020 graded 'D' (Inadequate) and is to be presented to the PAC in September 2020. This report makes a number of key recommendations with actions due by November 2020.
- V. These recommendations will be even more important given the vital role that Information Technology will play in remobilising and redesigning services and allowing the fundamental and rapid transformation required to achieve sustainable services, particularly in a post Covid 19 environment.

ACKNOWLEDGEMENT

35. On behalf of the Internal Audit Service I would like to take this opportunity to thank the Chief Officer and Chief Finance Officer of the IJB as well as staff within the partnership for the help and co-operation extended to Internal Audit throughout the year.

A GASKIN, BSc. ACA
Chief Internal Auditor

Action Point Reference 1**Finding:**

A high proportion of issues previously highlighted by ourselves and others which have resulted in agreed recommendations have not been taken forward as expected. Whilst Covid-19 may have had some impact, it is not, in our view, the primary cause of the failure to deliver these key changes. We have also reported a number of areas where update reports were promised but not delivered.

We would expect these areas for improvement to continue to feature in the IJB's Governance statement and would reiterate the need for robust monitoring by the PAC and consideration of the consequences of non-achievement on the overall control environment.

The lack of progress in implementing agreed governance improvements '*due to challenges in meeting a range of priorities with limited resources available to progress within the Health and Social Care Partnership*' has not been included in the Chair's Assurance report which is presented to the IJB following a meeting of the PAC, nor has this topic been discussed by the IJB.

Correspondence has now been received from the Scottish Government advising that given the Covid-19 response it does not expect IJBs to continue work on developing successor Integration Schemes. This update work had been intended to address a number of key governance issues which will still require to be resolved, notwithstanding the delay in updating the Integration Scheme.

Audit Recommendation:

Alongside proper monitoring of agreed governance improvement actions, we would recommend that a clearer escalation route of such issues encountered is needed to prompt the IJB to determine any remedial actions to be taken. 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

The discussion should include how to address issues involving Partners, with further escalation to the Working Together Forum, where the Chairs, Council Leaders, Chief Executives and Chief Officers from all partner bodies meet.

Assessment of Risk:

Our assessment of the above finding is as follows:

Significant		Weaknesses in control or design in some areas of established controls. Requires action to avoid exposure to significant risks in achieving the objectives for area under review.
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Management Response/Action:

The issue of delays in completing agreed improvement actions is recognised and accepted as an area of improvement. A further review of progress of the Governance Action Plan and

agreement of the escalation process will be brought to the meeting of the Performance and Audit Committee in September 2020 and reflected in the Chairs Assurance report to the IJB for further consideration by the wider IJB membership.

Action by:	Date of expected completion:
Chief Officer / Chief Finance Officer	October 2020

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	 <p>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.</p>	None
Significant	 <p>Weaknesses in control or design in some areas of established controls. Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>	One
Merits attention	 <p>There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.</p>	None

