



REPORT TO: PERFORMANCE & AUDIT COMMITTEE – 17 JANUARY 2017
REPORT ON: ANNUAL INTERNAL AUDIT REPORT - 2015/16 ACTIONS UPDATE
REPORT BY: CHIEF FINANCE OFFICER
REPORT NO: PAC4-2017

1.0 PURPOSE OF REPORT

The purpose of this report is to update the Performance and Audit Committee of progress in responding to the required actions highlighted within the Chief Internal Auditor's Annual Internal Audit Report 2015/16.

2.0 RECOMMENDATIONS

It is recommended that the Performance & Audit Committee (PAC):

- 2.1 Notes the progress made against the actions highlighted in Appendix 1.
- 2.2 Remits the Chief Finance Officer to bring a further progress report to the PAC to conclude the 2015/16 action plan.

3.0 FINANCIAL IMPLICATIONS

None.

4.0 MAIN TEXT

- 4.1 Dundee Integration Joint Board's Annual Internal Audit Report was presented to the IJB at its meeting on 28 June 2016. This report noted that the Chief Internal Auditor's assessment of the IJB's governance, risk management and control frameworks as they had developed during 2015/16 had established no major issues and that the IJB had adequate and effective internal controls in place proportionate to its responsibilities in 2015/16. The report noted a number of areas of planned improvements for 2016/17 and recommended the development of an action plan to ensure these and other developing governance issues are managed effectively. This action plan is shown in Appendix 1. The Chief Internal Auditor will provide an assessment of the adequacy of these as part of their 2016/17 Annual Audit Report.

5.0 POLICY IMPLICATIONS

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 CONSULTATIONS

The Chief Officer, Chief Internal Auditor and the Clerk were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

Dave Berry
Chief Finance Officer

DATE: 28 December 2016

DUNDEE HEALTH AND SOCIAL CARE PARTNERSHIP ANNUAL AUDIT REPORT 2015/16

Annual report actions	Proposed management action	Responsible Officer	To be reported to	Status Red/Amber Green (Complete)	Comments
IJB Code of Conduct based on a national template issued in April 2016.	Produce a draft code of conduct on behalf of the IJB for submission to the Scottish Government for approval.	Clerk to the IJB	IJB	Green	Agreed as Item 15 at the IJB meeting held in May 2016. In addition, specific IJB Development Session held in August 2016 to cover IJB members Code of Conduct.
Amend the Standing Orders to include conflicts of interest.	Present recommended amendment to IJB for approval.	Clerk to the IJB	IJB	Green	Agreed as part of Item 15 at the IJB meeting held in May 2016.
The IJB received a report on governance arrangements in May 2016 providing a progress update on governance documents and processes.	Advise IJB members of the proposed governance arrangements with Dundee City Council and NHS Tayside.	Chief Officer	IJB	Green	Report presented and agreed at IJB meeting in May 2016 (Report DIJB21-2016).
Deputising arrangements to be clarified.	Chief Officer to agree longer term deputising arrangements with NHS Tayside and Dundee City Council Chief Executives.	Chief Officer	IJB	Amber	Short term deputising arrangements to be covered by Health and Social Care Management Team.
Progress on implementation of the action plan in response to the December 2015 Audit Scotland report to be reported back to the IJB.	Update report to be brought to the Performance & Audit Committee (PAC).	Chief Finance Officer	PAC	Amber	Report to be presented to the January 2017 PAC meeting.

Annual report actions	Proposed management action	Responsible Officer	To be reported to	Status Red/Amber Green (Complete)	Comments
Establishment of a Performance & Audit Committee in May 2016 and the appointment of the internal auditors for 2016/17.	Report to be brought to the IJB to establish a PAC.	Chief Finance Officer	IJB	Green	Agreed in principle at May IJB and formalised at the August IJB (Report DIJB36-2016).
Remit & membership of the Performance & Audit Committee.	Report to be brought to the IJB outlining remit and terms of reference for the PAC including seeking nominations for membership.	Chief Finance Officer	IJB	Green	Report agreed at the August IJB with membership and Chair confirmed at IJB meeting in October 2016 (Item 6).
Approval of the 2016/17 annual internal audit plan.	Internal Audit Plan 2016/17 to be developed and agreed with Chief Internal Auditor and presented to IJB for approval.	Chief Finance Officer	IJB	Green	Internal Audit Plan agreed at December 2016 IJB meeting (Report DIJB60-2016).
IJB's risk profile to be developed.	High level risk register to be developed and presented to the IJB.	Chief Finance Officer	IJB/PAC	Green	High level risk register agreed at August 2016 IJB meeting (Report DIJB35-2016).
Second line management arrangements for the partnership.	Establish and recruit to locality and other second line managers.	Chief Officer/Head of Service, Health and Community Care and Head of Strategy and Performance	Health & Social Care Partnership (HSCP) Management Team	Green	Locality managers, and Lead Nurse Role all now appointed with Primary Care Development Manager recruitment in progress.
Further work is planned on the Large Hospital plan and arrangements for hosted services.	Work in conjunction with the Scottish Government, NHS Tayside and Perth and Angus Health and Social Care Partnerships to determine the scale of the Large Hospital Set	Chief Officer/Chief Finance Officer	IJB	Amber	Limited progress to date as replicated across Scotland. Tayside to work closely with Scottish Government on a pilot basis on behalf of other partnerships to progress this further and inform updated national guidance.

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	Aside and how shifts in this can be effected. Further work to be done with Angus and Perth re management and reporting of Hosted Services arrangements.				Initial discussions taken place between Chief Officers and Chief Finance Officers with regards to the strategic, operational and financial management of hosted services.
Plans are to be developed in year for the Health and Social Care Localities in Dundee including links to local Community Planning Structures.	Development of locality plans to be progressed following appointment of locality managers.	Head of Health and Community Care/Head of Strategy & Performance	Integrated Strategic Planning Group/IJB	Amber	Locality Managers recently appointed and transition to new portfolios, including localities throughout Jan-March 2017. Locality plans to be developed during 2017/18.
Review the support services requirements through regular reports from the Chief Officer.	Assess the sufficiency of corporate support to enable the Health and Social Care Partnership to deliver its' strategic objectives.	H&SCP Management Team	H&SCP Management Team/IJB	Amber	Internal Audit Plan for 2016/17 includes assessment of corporate support provision from Dundee City Council and NHS Tayside.
Further work on the development of the Outcomes and Performance Framework is planned.	Continue to develop the performance framework including a focus on localities and present to the PAC on a regular basis for scrutiny. Financial monitoring reports to be presented to IJB on a regular basis.	Head of Strategy & Performance	H&SCP Management Team/PAC/IJB	Amber	First performance report presented to the IJB in August 2016 with updated report with revised format to be presented to January PAC meeting. Financial monitoring reports presented to the IJB from August 2016.

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Financial regulations were approved in May 2016.	Present to the IJB a set of financial regulations.	Chief Finance Officer	IJB	Green	Presented and approved at the IJB meeting in May 2016 (Report DIJB3-2016).
Internal Audit review of Due Diligence work is to be reported to the June 2016 IJB meeting.	Present and consider Chief Internal Auditors Report on Financial Assurance/Due Diligence.	Chief Finance Officer	IJB	Green	Report presented to the June IJB meeting (Report DIJB16-2016) which noted the Chief Internal Auditors opinion that the financial assurance/due diligence process undertaken comprehensively covered the requirements of the Financial Assurance Guidance.
Implementation and embedding of the Clinical & Care & Professional Governance Framework; including remit and membership of the Dundee Clinical and Care Governance and Professional Governance Forum and monitoring of adverse events data.	Ensure R2 group governance framework is in place.	Head of Health and Community Care	Clinical Director/PAC	Amber	R2 group framework is implemented and embedded with regular meetings taking place. Reporting schedule to PAC to be agreed.
Further development of the Workforce and Organisational Development Strategy and reporting of workforce planning.	Develop workforce strategy and report to the IJB. Establish strategic links with Trade Union/Staff Side representatives.	Chief Officer	IJB	Amber	Workforce strategy contained within published Strategy and Commissioning Plan. Further development work required with regards to reporting. Regular meetings taking place between HSCP management team and Trade Union/Staff Side representatives

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Objectives and appraisal processes for the Chief Officer and Chief Finance Officer to be considered.	Develop and agree process.	Chief Officer	HSCP Management Team/Chief Executives	Red	Chief Officer objectives agreed with DCC Chief Executive. Progress to be made in developing further appraisal systems.
The IJB to become a party to the SASPI Information Sharing protocol.	Ensure information sharing protocol in place.	Chief Finance Officer	IJB	Amber	DCC and NHS Tayside already signed up to SASPI and services follow this currently. New national framework being developed re Information Sharing.
Accountability and responsibilities of the IJB in respect of all governance arrangements should be clarified and agreed by the IJB and parties, and should flow through to risk management and assurance arrangements.	Governance development workshops to be arranged to explore a range of governance scenarios to provide clarity.	Chief Finance Officer	H&SCP Management Team	Red	Initial discussions taken place with regards to hosting a Tayside wide event. Chief Finance Officer to progress before the end of the current financial year.
Assurance arrangements should include consideration of reporting lines and the flow of assurance including any officer and governance groups in place.	As above	As above	As above	Red	As above.
The IJB's strategic risk profile should be developed to clearly reflect risks to the delivery of the IJB's strategic objectives rather than joining previous operational risks of the services within the partnership.	Prepare and present a high level risk register to the IJB to highlight and monitor strategic risks.	Chief Finance Officer	IJB/PAC	Green	Risk Management Policy and Strategy agreed at IJB meeting in May 2016 (Report DIJB22-2016). High level risk register agreed at August 2016 IJB meeting (Report DIJB35-2016).

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Following the development of a risk profile for the organisation, an Assurance Framework linking the strategic risk profile and associated controls with assurance processes should be adopted (<i>Cf Risk Management Policy and Strategy Appendix 2</i>).	Link identified strategic risks with controls and assurance processes.	Chief Finance Officer	IJB/PAC	Green	Included as part of assessment of risk levels and controls as set out within Report DIJB35-2016 as noted above.
An exercise should be undertaken to ensure the report planner document shows all items of business required to be considered in year to deliver the purpose and remit of the IJB as well as any additional reporting agreed by members.	Develop a report planner outlining the IJB's business for the year.	Chief Officer	H&SCP Management Team	Amber	Report planner is a standing item at H&SCP management team meetings and will continue to evolve as the regularity of business to the IJB becomes clearer.
A formal Scheme of Delegation (as referred to in the Financial Regulations) should be developed and the IJB should work with the parties to develop a Further Scheme of Delegation within the partnership.	Develop a scheme of delegation to reflect the nature and extent of the Chief Officer or Chief Finance Officer delegating their responsibilities to other officers.	Chief Finance Officer	IJB	Red	Scheme to be developed.
The IJB should be kept informed of progress with the implementation of the Clinical, Care & Professional Governance Strategy.	Develop reporting schedules for the IJB.	Head of Health and Community Services	IJB	Red	Report scheduled to be presented to February 2017 IJB meeting.