

Dundee City IJB

2019/20 Annual Audit Report



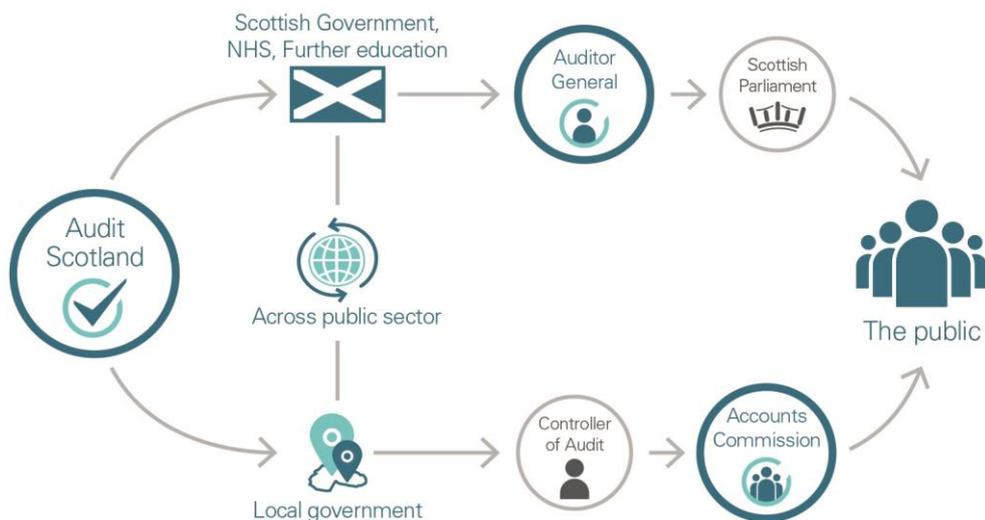
Prepared for Dundee City Integration Joint Board and the Controller of Audit

November 2020

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2019/20 annual report and accounts

- 1** Dundee City Integration Joint Board's financial statements give a true and fair view of the state of its affairs as at 31 March 2020 and the income and expenditure for the year.
- 2** The management commentary, audited part of the remuneration report and annual governance statement were consistent with the financial statements and prepared in accordance with proper accounting practices.
- 3** The global coronavirus pandemic, Covid-19, impacted on the final month of the 2019/20 financial year. Since March 2020, this has had significant implications for the IJB's services and on the costs of service provision. Covid-19 led to delays in the auditing timetable for 2019/20 annual accounts. Submission of the audited annual accounts is in line with revised government timescales.

Financial management and sustainability

- 4** The IJB incurred a deficit of £2.274 million after the use of reserves and additional partner funding of £1.021 million from the council and £2.042 million from the health board. It has utilised all of the non-earmarked element of the general fund reserve, leaving only £0.492 million of earmarked reserves at 31 March 2020.
- 5** The October 2020 budget monitoring report for 2020/21 (August 2020) reports a projected year end overspend of £0.054 million, excluding any implications of additional Covid-19 costs estimated at £11.413 million (August data). As of October 2020, the partnership has received an initial allocation of £2.144 million Covid-19 funding. It has been reported to the IJB that there is uncertainty on whether or not all the estimated Covid-19 costs will be fully funded.
- 6** The low level of reserves, combined with a trend of overspends and the uncertainty over funding Covid-19 costs represents a significant financial sustainability risk for the IJB. The lack of sustainability undermines how the IJB will be able to improve and deliver vital health and social care services.
- 7** Plans in place to develop medium and long term financial plans should be progressed to support longer term decision making and to demonstrate the Board's financial sustainability.

Governance, transparency and best value

- 8** The IJB has governance arrangements in place that support the scrutiny of decisions. However, the Scottish Government Ministerial Strategic Group for Health and Community Care (MSG) self-evaluation in June 2019 concluded that the IJB, with Dundee City Council and NHS Tayside has a significant amount of work to do to improve and further establish its governance arrangements. This remains to be the case.

- 9** The IJB took appropriate steps to revise its arrangements to reflect the challenges of delivering services in the Covid-19 environment. Changes to the arrangements are set out in the annual governance statement.
- 10** Overall, the IJB has been slow to progress the implementation of its governance and wider improvement plans. The Performance and Audit Committee escalated this issue to the Board in October 2020.
- 11** Meeting conflicts with partner bodies meetings has impacted on Board members attendance. The IJB is to amend the 2021 meeting calendar to try and improve this.
- 12** The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 requires a non-voting 'registered medical practitioner' for primary medical services to be appointed to the Board. There has not been an attendee fulfilling this role since June 2018, despite a request made to NHS Tayside to put forward a nomination.
- 13** In 2019/20 the IJB established a Best Value assurance framework.
- 14** The Integration Joint Board has a performance monitoring process which it continues to develop. Results for 2019/20 shows a mixed picture with challenges in some key areas.

Introduction

1. This report is a summary of our findings arising from the 2019/20 audit of Dundee City Integration Joint Board (the IJB).
2. The scope of our audit was set out in our Annual Audit Plan presented to the Performance and Audit Committee meeting on 22 September 2020. This report comprises the findings from our main elements of work in 2019/20 including:
 - an audit of the IJB's 2019/20 annual accounts including the issue of an independent auditor's report setting out my opinions
 - consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

Exhibit 1 Audit dimensions



Source: *Code of Audit Practice 2016*

3. Subsequent to the submission of our Annual Audit Plan in March 2020, the IJB and partner bodies had to respond to the Covid-19 disruption. For the financial year 2019/20, only the final few weeks were affected, however, the effects will have significant impact into financial year 2020/21. Our planned audit work has had to adapt to new and emerging risks as they relate to the audit of the financial statements and the wider dimensions of audit. The audit of the annual accounts was carried out remotely.

Adding value through the audit

4. We add value to the IJB, through audit, by:
 - identifying and providing insight on significant risks, and making clear and relevant recommendations

- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

5. In so doing, we aim to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

6. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The IJB is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

7. Our responsibilities, as independent auditor appointed by the Accounts Commission, are established by the Local Government (Scotland) Act 1973, the Code of Audit Practice (2016), supplementary guidance, and International Standards on Auditing in the UK.

8. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the appropriateness and effectiveness of the performance management arrangements
- the suitability and effectiveness of corporate governance arrangements
- the financial position and arrangements for securing financial sustainability.

9. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

10. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

11. Our annual audit report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and progress against these.

Auditor Independence

12. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements, auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

13. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2019/20 audit fee of £28,390 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

14. This report is addressed to both the Board and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

15. We would like to thank all management and staff who have been involved in our work for their co-operation and assistance during the audit.

Extension of the audit appointment

16. Auditors appointed under statute by the Accounts Commission are engaged for a five-year period. The current audit engagement was due to end after the conclusion of the 2020/21 audit. Normally at the end of each five-year period a new auditor is appointed, either Audit Scotland or a private sector accountancy firm. Covid-19 will have implications beyond the immediate challenge of this year's final accounts. As this year's audits will be reported later than normal, planning for and potentially reporting next year's annual audit work will also be affected. In October 2020 the Accounts Commission approved the extension of current audit appointments for a year to include the 2021/22 audit year. This decision reflects the need for stability and continuity given the longer-term impact of Covid-19 on audited bodies and the difficulty of running the necessary audit procurement exercise during the pandemic.

Part 1

Audit of 2019/20 annual accounts



Main judgements

Dundee City Integration Joint Board's financial statements give a true and fair view of the state of its affairs as at 31 March 2020 and the income and expenditure for the year.

The management commentary, audited part of the remuneration report and annual governance statement were consistent with the financial statements and prepared in accordance with proper accounting practices.

The global coronavirus pandemic, Covid-19, impacted on the final month of the 2019/20 financial year. Since March 2020, this has had significant implications for the IJB's services and on the costs of service provision. Covid-19 led to delays in the auditing timetable for 2019/20 annual accounts. Submission of the audited annual accounts is in line with revised government timescales.

The annual accounts are the principal means of accounting for the stewardship of the board's resources and performance.

Audit opinions on the annual accounts

17. The annual accounts for the year ended 31 March 2020 were approved by the Performance and Audit Committee on 24 November 2020. We reported within the independent auditor's report that:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary, and annual governance statement were all consistent with the financial statements and properly prepared in accordance with proper accounting practices.

18. The completeness and accuracy of accounting records were not impacted by the Covid-19 outbreak.

Submission of annual accounts for audit

19. Despite the disruption caused by Covid-19, the Joint Board did not elect to postpone the preparation of its annual accounts. The unaudited annual accounts were submitted to us on 30 June 2020 in line with the original agreed timetable.

20. However, given the impact of Covid-19, Audit Scotland and the IJB agreed to adjust the original audit timetable from planned completion on 22 September 2020 to 24 November 2020. This is permissible under Scottish Government advice and provisions made in Schedule 6 of the Coronavirus (Scotland) Act 2020 which allows each local authority body to revise the timetable for the annual accounts, with publication no later than 30 November 2020.

21. The working papers provided to support the accounts were of a good standard and the audit team received support from finance staff which helped ensure the

final accounts audit process ran smoothly. The Independent Auditor's Report was issued and signed off, on 24 November 2020, in line with the revised timetable.

Materiality

22. The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement in the annual accounts.

23. We carried out our initial assessment of materiality for the annual accounts during the planning phase of the audit, using the 2018/19 net expenditure figure in the calculation. On receipt of the 2019/20 unaudited annual accounts we reviewed our materiality calculations methodology and concluded this remained appropriate, revised only to use the 2019/20 draft annual accounts net expenditure figure.

24. The materiality values are summarised in [Exhibit 2](#). Specifically, regarding the annual accounts we assess the materiality of uncorrected misstatements, both individually and collectively.

Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality	£2.761 million
Performance materiality	£1.656 million
Reporting threshold	£55 thousand

Source: Audit Scotland, 2019/20 Annual Audit Plan

Risks of material misstatement

25. [Appendix 2](#) provides our assessment of the risks of material misstatement in the annual accounts and any wider audit dimension risks for the 2019/20 audit. These were reported in our 2019/20 annual audit plan and influence our overall audit strategy, the allocation of staff resources to the audit and indicate how the efforts of the audit team will be directed. Appendix 2 also identifies the work we undertook to address these risks and our conclusions from this work.

26. We submitted our annual audit plan to management in March 2020 for consideration at the March 2020 Performance and Audit Committee (PAC). Due to Covid-19 the March PAC was cancelled. The annual audit plan was subsequently presented to the 22 September 2020 PAC. We undertook a review of the plan risks in light of Covid-19 and concluded that they remained relevant.

27. We have reported a number of issues from our work on the risks of material misstatements. These are included in the action plan at [Appendix 1](#).

Significant findings from the audit

28. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices covering accounting policies, accounting estimates and financial statements disclosures. The significant findings are summarised in [Exhibit 3](#).

29. We identified several presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts. The annual accounts were also updated by management to reflect developments associated with the Covid-19 pandemic between June 2020 and November 2020.

Exhibit 3

Significant findings from the audit of the financial statements

Issue	Resolution
<p>1. Debtors and creditors balances</p> <p>The short term debtors of £5.600 million and short term creditors of £5.108 million in the Balance Sheet represent the separate accumulated underspend and overspend balances with the two partner organisations. These two balances make up the net assets figure of £0.492 million.</p> <p>In our opinion a more appropriate treatment is for the total of these balances to be shown as a single debtor balance of £0.492 million, which represents the 'cash equivalent' of the IJBs funding that has not yet been used, and equal to the total reserves of £0.492 million.</p>	<p>As these alternative presentations have no impact on the net assets at 31 March 2020 we have accepted the IJB's treatment for 2019/20, alongside a commitment to review this treatment for 2020/21.</p>
<p>2. Hospital acute services (set aside)</p> <p>The "set aside" budget is the IJB's share of the budget for delegated acute services provided by large hospitals, on behalf of the IJB. Included within the total IJB's net expenditure of £276.077 million is the £18.172 million of "set aside" costs.</p> <p>The budget and actual expenditure reported for the "set aside" are equal. The figure is based on 2018/19 activity levels for hospital inpatient and day case activity, provided by NHS National Services Scotland's Information Services Division, and 2017/18 unit costs adjusted to reflect 2019/20 costs.</p>	<p>For information only.</p> <p>The set aside calculation is a transitional arrangement agreed with the Scottish Government. The Comprehensive Income and Expenditure Statement correctly incorporates set aside costs.</p> <p>The Chief Finance Officer continues to work with NHS Tayside to develop a methodology to measure set aside more accurately. The reliability of this approach will be assessed during 2020/21.</p>

Source: Dundee City IJB Annual Accounts 2019/20

30. There were no misstatements above our reporting thresholds identified from our audit.

Follow up of prior year recommendations

31. The IJB has made some progress in implementing our prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

Part 2

Financial management and sustainability



Main judgements

The IJB incurred a deficit of £2.274 million after the use of reserves and additional partner funding of £1.021 million from the council and £2.042 million from the health board. It has utilised all of the non-earmarked element of the general fund reserve, leaving only £0.492 million of earmarked reserves at 31 March 2020.

The October 2020 budget monitoring report for 2020/21 (August 2020) reports a projected year end overspend of £0.054 million, excluding any implications of additional Covid-19 costs estimated at £11.413 million (August data). As of October 2020, the partnership has received an initial allocation of £2.144 million Covid-19 funding. It has been reported to the IJB that there is uncertainty on whether or not all the estimated Covid-19 costs will be fully funded.

The low level of reserves, combined with a trend of overspends and the uncertainty over funding Covid-19 costs represents a significant financial sustainability risk for the IJB. The lack of sustainability undermines how the IJB will be able to improve and deliver vital health and social care services.

Plans in place to develop medium and long term financial plans should be progressed to support longer term decision making and to demonstrate the Board's financial sustainability.

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Financial management

32. It is the IJB's responsibility to ensure that its financial affairs are conducted in a proper manner. As auditors, we need to consider whether audited bodies have established financial management arrangements.

33. The IJB is required by statute to make arrangements for the proper administration of its financial affairs and to appoint a "proper officer" to have "responsibility for the administration of those affairs" (section 95 of the Local Government (Scotland) Act 1973). The Chief Finance Officer (CFO) is responsible for ensuring that appropriate financial services are available to the Board and the Chief Officer. The CFO is suitably qualified for the role and has appropriate status within the IJB. Time and resource pressures on the CFO have the potential to impact on budget monitoring and reporting arrangements, and the ability to respond to emerging issues and risks.

34. In September 2019 in our 2018/19 annual audit report we reported on the key priority areas for improvement from the Scottish Government Ministerial Strategic Group for Health and Community Care (MSG) on the "Review of Progress with Integration of Health and Social Care", approved by the Board in June 2019. Some of the improvement areas related to financial management capacity:

- the IJB and its partners were to agree a more formal statement of the expected level of support from each statutory partner to the IJB

- NHS Tayside to streamline and further strengthen finance resources to support the CFO through a restructure of the NHS Tayside finance team.

35. Progress to address these improvement areas had been slow. We saw the pressures on the CFO during the audit process. In September 2020 the CFO recruited to the new post of Partnership Finance Manager, and to the existing Integrated Accountant post that had been vacant since March 2020. These roles should help address the capacity issues articulated from the MSG review.

Financial performance in 2019/20

36. The IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer. All funding and expenditure for the IJB is incurred by the partner bodies and processed in their accounting records. Satisfactory arrangements are in place to identify income and expenditure and report this financial information to the IJB.

37. The IJB formally approved its 2019/20 budget in June 2019, with an initial funding gap of £5.935 million, with savings plans for £5.390 million.

38. The IJB incurred net expenditure of £276.077 million in 2019/20 against a revised funding budget of £273.803 million, resulting in a deficit of £2.274 million. The funding budget was increased by £13.523 million, £6.528 million from Dundee City Council and £6.995 million from NHS Tayside. The increase included £3.063 million from additional partner funding from the Integration Scheme risk share agreement.

39. The IJB reported a year end underlying overspend of £5.771 million for 2019/20, arising from an underlying deficit of £6.037 million in social care budgets, net of an underlying underspend of £0.266 million in NHS budgets, before drawing down a planned use of reserves for ring fenced Scottish Government funding and planned commissioning commitments. Following the application of these planned reserves, the net underlying overspend position for the IJB was £4.006 million consisting of a net overspend of £5.651 million in social care budgets and an underspend of £1.645 million in NHS budgets.

40. In line with the IJB risk sharing agreement, any residual overspend at the year-end, after the implementation of a recovery plan, is to be met in the first instance from reserves. In 2019/20 £2.274 million was used from reserves. The IJB has now utilised all of the non-earmarked element of the general fund reserve, leaving only £0.492 million of earmarked reserves.

41. 2019/20 was the first year that the Integration Scheme directed that any residual overspend after the use of reserves was to be allocated based on each partner's proportionate contribution to the IJB budget, rather than only meeting their own service area overspend. Therefore, the additional partner funding of £3.063 million was provided based on £1.021 million from the council and £2.042 million from the health board.

42. Management has advised the savings delivered in 2019/20 were £2.841 million as against the £5.390 million plan. Therefore, £2.549 million were not delivered. Financial monitoring reports during the year noted the RAG status of the various savings proposals, however the final savings position was not incorporated into the 2019/20 outturn report presented to the August 2020 Board.

Financial planning and sustainability

43. In our previous annual audit reports, we highlighted the importance of a medium to long term financial plan to support longer term planning for the IJB. In our September 2019 report we noted that the Board had approved a Strategic and Commissioning Plan 2019-22 in March 2019, which projected funding shortfalls for the three-year period. Funding gaps were projected as £5.936 million for 2019/20, £3.208 million for 2020/21 and £3.274 million for 2021/22. The IJB has yet to

develop medium to long term financial plans to update this projection and demonstrate how it will fund future funding gaps.

44. During 2019/20 the IJB had begun to develop a 1-5 year financial plan for consideration at the April 2020 Board meeting. This piece of work was curtailed due to Covid-19 and remains an outstanding action for the board.



Recommendation 1

The 1-5-year financial plan should be progressed and presented to the Board to help demonstrate the longer term financial sustainability of planned IJB services. This is increasingly important as demand pressures increase and the IJB plans for service redesign over medium and longer time frames. Plans should include scenario planning in the Covid-19 environment.

45. The 2020/21 budget was initially considered by the IJB at its October 2019, December 2019 and February 2020 meetings with plans for approval at the April 2020 meeting. The April meeting was cancelled due to Covid-19. Consequently, the final IJB budget for delegated services was approved in August 2020 after previously being considered under the IJB's Essential Business Procedures operated due to Covid-19.

46. At August 2020 the approved IJB funding was confirmed at £248.8 million, £80.1 million from Dundee City Council and £168.7 million from NHS Tayside. The amount from NHS Tayside at August excluded hosted services adjustments from Angus and PKC IJBs' and the set aside for acute hospital sites budget elements, for which the values were to be confirmed by NHS Tayside. Values have now been confirmed as £(3.601) million and £18.172 million respectively.

47. The 2020/21 IJB budget includes a new £1 million recurring element from NHS Tayside relating to the release of resources through the large hospital set aside mechanism. NHS Tayside's has stated this has been done to reflect the sustained reduction in the number of occupied bed days by Dundee residents since the baseline year, 2015/16. It is intended this shift of resources will assist the IJB in maintaining community-based health and social care activity levels to contribute to meeting anticipated demographic demand while continuing to reduce unplanned hospital admissions.

48. The 2020/21 approved IJB budget represents only the underlying mainstream delegated budget and includes a £2.341 million funding gap. It also does not reflect the impact of the Covid-19 pandemic on the IJB's expenditure which is estimated at £11.413 million (August data).

49. Beyond Covid-19 costs, the 2020/21 budget reflects a range of cost pressures which include: financial overspends incurred in 2019/20 which are expected to be recurring; increased demographic demand; new care pathways to meet this demographic growth; the need to continue to reduce unplanned hospital admissions and delayed discharge; and increases in social care and accommodation with support packages.

50. A savings programme to meet the £2.341 million funding gap was approved as part of the 2020/21 budget. The budget did not include the savings delivery risk assessment, instead it was separately included in the financial monitoring report presented to the August 2020 Board. As of October 2020, the IJB has received an initial allocation of £2.144 million against the Covid-19 costs. The October report to the IJB notes that there is no confirmation that all the estimated Covid-19 costs will be fully funded.

51. The IJBs approved budget notes that both partners expect the IJB to deliver a balanced budget at the end of the year. It also highlights that NHS Tayside is currently exposed to financial risk of around two-thirds of any overspend in the

IJB's delegated budget. The 2020/21 budget monitoring report at October 2020 (based on August 2020 data) reports a projected year end overspend of £0.054 million, excluding any implications of additional Covid-19 costs.

52. The 2019/20 annual accounts management commentary includes key risks and uncertainties for the IJB. It notes that there is considerable uncertainty around the impact of the Covid-19 pandemic on public finances. It also notes that the consequences of potential further restrictions to public funding against an already challenging financial environment, including the implications of the UK's withdrawal from the EU, would likely to be significant for the IJB's delegated budget, particularly given the IJB's low level of reserves. It further notes that if post Covid-19 demand levels increase there is a risk that the IJB will not have sufficient resilience to meet these demands without additional funding being made available.

53. Given the cost pressures within the mainstream budget and from Covid-19 there is a significant risk that the IJB will not achieve a balanced year end position for 2020/21.

Financial impact of the Covid-19 pandemic

54. The October 2020 financial monitoring report provides a summary of the financial impact of the Covid-19 response. It notes that additional costs for 2020/21 are estimated at £11.413 million (August data) incurred through the health board and council. The estimate is based on actual additional expenditure by the IJB incurred to date and anticipated by the end of the financial year, using a range of assumptions based on the best information available at the time of calculation.

55. The £11.413 million is made up of a number of elements ranging from additional bed capacity (£0.769 million), additional staff cover (£2.282 million), care provider sustainability payments (£6.149 million) and anticipated under-achievement of savings (£0.481 million).

56. The projected spend is split £3.452 million by the health board and £7.961 million by the council. The report explains a number of risks associated with the financial impact of Covid-19. Noting that as of October 2020, the partnership has received an initial allocation of £2.144 million against these costs. It explains there is no confirmation that all the estimated Covid-19 costs will be fully funded.

57. The report notes there is a potential risk exposure of around £2.000 million should further funding not be released. In addition, it also notes that potential Scottish Government funding would not cover any under delivery of planned financial savings due to Covid-19.

58. Given that the projected year end position is currently an overspend of £0.054 million, the uncertainties around the Covid-19 estimated costs and funding, including the anticipated under-achievement of savings, the financial impact of Covid-19 on the partnership could be significant, further exacerbating its financial sustainably risk.

59. Consideration will need to be given to incorporating the Covid-19 implications into the IJBs plans of developing its longer term financial framework.

Efficiency savings

60. The IJB is required to make efficiency savings to maintain financial balance of £2.341 million as noted above. The October 2020 financial monitoring report to the Board reports at this stage of the financial year it is considered that the risk of these not being delivered are generally low. The report notes that £0.771 million is assessed as a medium risk that they will not be delivered and £1.571 million as low risk.

61. However, the October report also notes that the remobilisation plan includes an estimate of £0.481 million for the anticipated underachievement of savings, and that Scottish Government Covid-19 funding will not cover this.

62. There is a risk that the IJB will not be deliver against the 2020/21 savings target, compounded by the impact of Covid-19.

Reserves strategy

63. Dundee City IJB has a reserves policy of carrying forward reserves of up to 2% of net expenditure. The policy was approved by the Board in April 2017.

64. The IJB's general reserve balance reduced by £2.274 million in 2019/20, from £2.766 million to £0.492 million. It has utilised all of the non-earmarked element of the general fund reserve, leaving only £0.492 million of earmarked reserves. This was the result of a planned drawdown to support service delivery and to contribute to funding the significant overspends incurred during 2019/20 under the risk sharing arrangement.

65. The £0.492 million committed ear-marked general fund reserve is mainly for the reinvestment of Scottish Government ring fenced funding for primary care (£0.117 million) and the alcohol and drug partnership (£0.339 million). The October 2020 financial monitoring report advises the Board that the Scottish Government is likely to reduce the level of specific funding for these streams in 2020/21 by the earmarked balances.

66. There is almost no flexibility available to the IJB during 2020/21 to meet unexpected pressures. It also increases the risk around being able to progress further transformational change.

67. The low level of reserves, combined with a trend of overspends and the uncertainty over funding Covid-19 costs represents a significant financial sustainability risk for the IJB. The lack of sustainability undermines how the IJB will be able to improve and deliver vital health and social care services.

Financial reporting

68. We observed that members receive regular and accurate financial information on the IJB's financial position. Since its inception, the IJB has improved the content of the information provided to members. As in previous years we have reported that the IJB demonstrates a commitment to make improvements in this area, however it has not progressed these areas to the extent planned.

69. In our 2018/19 annual audit report we reported that the IJB reports changes to the risk profile of savings to members but does not regularly report on the savings achieved and whether delivery is on track. We also commented on there not being regular updates on progress with transformation plans. This remains the case.



Recommendation 2

The position on the achievement of savings proposals and transformation should be clearly and regularly reported to members. The impact from Covid-19 and delivering pandemic remobilisation plans will also need to be considered.

Part 3

Governance, transparency and best value



Main judgements

The IJB has governance arrangements in place that support the scrutiny of decisions. However, the Scottish Government Ministerial Strategic Group for Health and Community Care (MSG) self-evaluation in June 2019 concluded that the IJB, with Dundee City Council and NHS Tayside has a significant amount of work to do to improve and further establish its governance arrangements. This remains to be the case.

The IJB took appropriate steps to revise its governance arrangements to reflect the challenges of delivering services in the Covid-19 environment. Changes to the arrangements are set out in the annual governance statement.

Overall, the IJB has been slow to progress the implementation of its governance and wider improvement plans. The Performance and Audit Committee escalated this issue to the Board in October 2020.

Meeting conflicts with partner bodies meetings has impacted on Board members attendance. The IJB is to amend the 2021 meeting calendar to try and improve this.

The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 requires a non-voting 'registered medical practitioner' for primary medical services to be appointed to the Board. There has not been an attendee fulfilling this role since June 2018, despite a request made to NHS Tayside to put forward a nomination.

In 2019/20 the IJB established a Best Value assurance framework.

The Integration Joint Board has a performance monitoring process which it continues to develop. Results for 2019/20 shows a mixed picture with challenges in some key areas.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

Governance arrangements

70. The IJB's integration scheme sets out its governance arrangements. The Board is responsible for establishing arrangements for ensuring the proper conduct of the affairs of the IJB and for monitoring the adequacy of these arrangements. The IJB's governance arrangements and procedures are regulated by a set of procedural documents including Standing Orders, a Scheme of Delegation and Financial Regulations.

71. The Board is responsible for the strategic commissioning of health and social care services in Dundee and for setting priorities and policies in the context of legislative requirements. It comprises 6 voting members and a wide range of non-voting members which includes professional officers from the partner bodies, a service user, an unpaid carer representative and a third sector representative. The

voting members consist of 3 elected councillors nominated by Dundee City Council and 3 non-executive directors nominated by NHS Tayside.

72. The Board is supported by the Performance and Audit Committee (PAC) and a number of groups including the Clinical, Care and Professional Governance Group (CCPG) and the Integrated Strategic Planning Group. It is noted that work is ongoing to review and strengthen the CCPG governance structures following recommendations from an internal audit review reported in February 2018. The work is planned to be completed by March 2021.

73. We reported in our 2018/19 report that there had been significant change in the voting membership of the Board from the NHS Tayside cohort. This continued to be the case during 2019/20. Before the financial year end NHS Tayside appointed a new voting member and a proxy voting member. In August 2020 Dundee City Council also appointed proxy members.

74. The February 2020 PAC meeting was cancelled as it would not have been quorate. Whilst only one PAC meeting was cancelled during 2019/20, meeting conflicts across partner bodies is cited by members and officers as having an impact on the ability of voting members to attend scheduled Board and PAC meetings.

75. The IJB plans to amend its meeting schedule from January 2021 to try to mitigate this issue. However, the IJB cannot fully mitigate this issue on its own, and in cognisance with the conclusion of the MSG self-evaluation it also needs the commitment of the partners to take forward this action. We will continue to monitor attendance at meetings.

76. We attended meetings of the Board and the Performance and Audit Committee to observe how they perform and have concluded that members provide an appropriate level of scrutiny. We note however, given the change in membership, competing priorities preventing some members from attending and the complexity of the environment in which the IJB operates, that the training and support needs of the members are identified and addressed.

77. During 2019/20 the IJB began to make plans for a coordinated programme of development and training opportunities to be co-ordinated alongside those of Dundee City Council and NHS Tayside for new and existing members. This has not been progressed to the extent planned, in part due to the impact of Covid-19.



Recommendation 3

Work to embed a programme of development and training opportunities for Board members should be progressed.

78. We reported our 2018/19 report that the 'registered medical practitioner providing primary care', a non-voting member of the IJB, had been unable to attend the majority of meetings in 2018/19. Since then the previous nominee stood down and was not replaced by NHS Tayside. Consequently, the IJB has not had professional primary care input for a number of years, since June 2018.

79. This also means that the IJB is not complying with The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 which stipulates that a non-voting position of 'registered medical practitioner whose name is included in the list of primary medical services performers' is appointed to the Board. The IJB Clerk wrote to NHS Tayside in January 2020 and the Chairperson has followed this up with a written request on 22 October 2020. NHS Tayside is yet to confirm who will fulfil this role.



Recommendation 4

The IJB should escalate to NHS Tayside again, that the IJB has not had professional input from a 'registered medical practitioner whose name is included in the list of primary medical services performers' for a number of years, and request NHS Tayside appoint to this non-voting role.

80. As of November 2020, the IJB chairperson (voting member) has rotated to a Dundee City Council member from an NHS Tayside member in line with the integration scheme. The nominations by the parent bodies means the chairperson and vice-chairperson, in post for the two year term of office to October 2020 have swapped roles. This may provide the IJB with some stability over the coming period.

81. The IJB has governance arrangements in place that support the scrutiny of decisions by the Board and Performance and Audit Committee. However, there is a risk that these arrangements become less effective if they do not develop in line with identified improvement actions.

Covid-19 disruption

82. The impact of Covid-19 from March 2020 has been set out in the annual governance statement in the IJB's annual accounts. We note that the following steps were taken to amend governance arrangements.

83. In March 2020 the IJB invoked its essential business procedures which provided delegated authority to the Chief Officer and Chair of the Board. Formal Board and Performance and Audit Committee (PAC) meetings were stood down, recommencing from August 2020. During this period weekly, then fortnightly briefing meeting were established for voting members for the Chief Officer to provide updates on the major issues throughout the emergency period. After each on-line briefing a written update was issued to all IJB members and key stakeholders.

84. On-line Board and PAC meetings recommenced from August 2020 and meeting papers continue to be available on the board's website one week prior to the meeting date. Members of the press and the public can observe meetings if they wish to do so by contacting committee services. Plans are also in place to record meetings, with the recording then being placed on the IJB's website.

85. We conclude the IJB took appropriate steps to revise its arrangements to reflect the challenges of delivering services in the Covid-19 environment.

Improvement agenda

86. From its inception, the IJB has experienced significant delays in progressing a significant number of its improvement and governance actions. The actions stem from a number of sources which include the IJB's own development plans, such as its Primary Care Improvement Plan, from Internal and External Audit reports' and from the Scottish Government Ministerial Strategic Group for Health and Community Care (MSG) self-evaluation exercise approved by the Board in June 2019 in partnership with the Council and the Health Board.

87. Examples of the improvement areas that have experienced significant delay and the October 2020 assessment of when they will be concluded, include:

- Clinical, Care and Professional Governance Internal Audit Review: report issued February 2018; original completion date June 2018; revised completion date March 2021.

- Workforce Internal Audit Review: report issued March 2018; original completion date August 2018; revised completion date March 2021.
- Action Plan in Response to the Services for Older People (Edinburgh) Inspection Report: considered by the PAC in May 2018; original completion date March 2019; revised completion date March 2021.
- 2017/18 Annual Internal Audit Report – Action Plan Update; considered by the PAC in February 2019; original completion date July 2019; revised completion date March 2021.
- Implementation and reporting of all outstanding recommendations arising from the MSG self-evaluation review. A completion date for implementation of the actions was not originally agreed. The completion date is noted as December 2020.

88. The annual accounts management commentary reports this issue also, including highlighting progress in implementing the IJB's Primary Care Improvement Plan. It reports implementation has been impacted by the Covid-19 pandemic; challenges around the ability of the partnership to recruit and develop the workforce to deliver all the expectations of the plan; financial challenges in meeting the Scottish Government's and GP's expectations with the resources provided; and the potential for funding shortfalls in future years.

89. We have previously reported on this issue, as has internal audit. The Chief Internal Auditor (CIA) in their 2019/20 annual report recommended that the delay in implementing actions be escalated from the PAC to Board outlining the reasons for the delays and actions required to make progress with them.

90. Consequently, the Board at their October 2020 meeting considered a Governance Action Plan Update report. It noted that delays have been due to: challenges in meeting a range of priorities with limited resources within the partnership; reliance on partner bodies to take forward some actions; and more recently by limited working arrangements and competing priorities in response to Covid-19. The report also noted that that progress is being made to strengthen the support structures and to realigning priorities to ensure that actions are completed.

91. The IJB had planned to further develop the Governance Action Plan to include all improvement action plans. This is still to be progressed. Clarity of its improvement agenda and the successful and timeous implementation of improvement actions is fundamental to the sustainability of the IJB in terms of its ability to deliver against the commitments in its Strategic Commissioning Plan and the Covid-19 Remobilisation Plan. It is also fundamental to the sustainability and appropriateness of its governance arrangements and its leadership and management teams.



Recommendation 5

The Governance Action Plan should be developed to include all improvement action plans. Actions should be reviewed for their continued relevance and priority.

The Board and PAC should continue to be updated on implementation progress across all governance and improvement areas.

Openness and transparency

92. There is an increasing focus on how public money is used and what is achieved. In that regard, openness and transparency supports understanding and scrutiny. Transparency means that the general public has access to

understandable, relevant and timely information about how the IJB is taking decisions and how it is using resources.

93. There is evidence from a number of sources which demonstrate the IJB's commitment to transparency. All meetings are public and full details of the meetings of the Board and the Performance and Audit Committee are available through the Dundee Health & Social Care Partnership website, including Board and Committee papers and minutes of meetings. From August 2020 agendas explain how members of the public and press can view online meetings since Board and PAC meetings recommenced from August 2020.

94. Following a recommendation in a previous annual audit report and requests from members, the IJB is considering how best, in partnership with their committee support, to improve the content of their minutes. The aim is to reflect the assurances given to members during Board and PAC meetings.

Risk management

95. In September 2018 internal audit reported on a Risk Maturity Review of the IJB. At the time internal audit noted that the IJB was developing its risk management arrangements and were commended for the progress made with its arrangements. Notwithstanding this a number of recommendations for improvement were identified and an action plan developed, originally planned for completion by December 2019.

96. Internal audit in their 2019/20 annual report reported that whilst the strategic risk register had been updated to include the impact of Covid-19, there had been no monitoring of corporate risks at a governance level. Subsequently the Board considered a Strategic Risk Register and Risk Management Report at its August 2020 meeting.

97. The Board were advised at the August 2020 meeting that discussions had been held between the risk management functions of Dundee City Council and NHS Tayside to agree a way forward. The IJB consider actions are now on track to be delivered following formation of a Tayside Risk Management Group chaired by the IJB's Chief Finance Officer. Follow up meetings with partners across Tayside including the other Tayside IJBs' are scheduled to enable actions to be completed by December 2020.

98. Until risk management arrangements are fully developed and embedded within the IJB and across the Tayside partnerships there is a risk that risk exposure may not be understood, highlighted and appropriately mitigated through management controls.



Recommendation 6

The Board and PAC are updated on progress in delivering against the risk maturity action plan.

Internal audit

99. Internal audit provides the Board and the Chief Officer with independent assurance on the IJB's overall risk management, internal control and corporate governance processes. Internal audit is provided by FTF Audit and Management Services (FTF), supported by Dundee City Council's internal audit section. The audit is overseen by FTF's Chief Internal Auditor (CIA).

100. We carried out a review of the adequacy of the internal audit function and concluded that the internal audit service generally operates in accordance with the

Public Sector Internal Audit Standards (PSIAS), although we have observed slippage in the delivery of internal audit plans.

101. To avoid duplication of effort we place reliance on the work of internal audit wherever possible. In 2019/20 we did not place any formal reliance on internal audit reviews for the purpose of obtaining direct assurance for our financial statements work. However, we considered internal audit report findings as part of our wider dimension work.

102. Due to the slippage with the internal audit plan, there is a risk that there could be insufficient evidence for the CIA to provide their annual opinion on the IJB's internal controls. To mitigate this, the work internal audit undertakes on the annual governance statement includes use of a year-end governance checklist. This enables the CIA to conclude that internal audit has undertaken sufficient work to allow them to provide their formal opinion on the adequacy and effectiveness of internal controls.

103. In August 2020 the Board approved the 2020/21 internal audit plan. It was approved that focus for 2020/21 would be given to the previously agreed audit plans with updated scopes agreed with management, rather than create a further plan. This was in recognition of the factors causing slippage which included the complexity of the control environment for IJBs, the demand on IJB management time to feed into the audit process and the time taken to clear reports with the range of parties involved. It was also noted that internal audit plans would need to be updated once the impact of Covid-19 on the IJB's overall strategy, supporting strategies, resources, objectives and risk profile is better understood.

104. In September 2020 the PAC considered two internal audit reports:

- Information Governance & Technology as Enablers (D04/19), issued January 2020. Key findings related to issues with: a lack of governance and assurance routes across the partners; issues with reporting lines between the partners; the data/information sharing agreement not being finalised between the partners; issues with the lack of integrated or shared use of systems across the partnership; and the need for joint consideration of implications of IT developments across the partners.
- Governance Mapping (D06/19), issued August 2020. The overarching conclusion reported was: "Overall, we could not find clear evidence that the structures in place provide appropriate assurance, or that they have minimised bureaucracy and duplication of effort. Management have agreed to review attendance at partner body groups as well as to develop a guidance document for the operation of all groups in line with a set of principles outlined in the report. In addition, the relevant strategic risk is to be reviewed in depth."

105. The status of other work in September was:

- Finance (D05/19) - fieldwork complete with the draft report in review process
- Performance management (D05/20) and Adverse events management (D06/20) - planning commenced.



Recommendation 7

Supported by management, the delivery of internal audit plans should be kept under review to ensure the IJB receives appropriate and sufficient assurances on its governance arrangements and systems of internal controls.

Systems of internal control

106. The IJB relies on Dundee City Council and NHS Tayside for its key financial systems such as the ledger and payroll and the financial information used for budget setting and financial monitoring purposes.

107. As part of our audit approach we received assurances from the external auditor of Dundee City Council and NHS Tayside (in accordance with International Standard on Auditing ISA 402). We concluded there were no significant weaknesses in the internal controls of the main financial systems which would impact on the IJB.

Standards of conduct and arrangements for the prevention and detection of fraud and error

108. The IJB has its own Code of Conduct for Members which requires that all members must comply with the Standards in Public Life - Code of Conduct for Members of Devolved Public Bodies. Based on our review of these arrangements we concluded that the IJB has effective arrangements in place for the prevention and detection of corruption.

109. Each partner body also has a code of conduct for members and staff, which sets out the standards expected in undertaking their duties and each partner body has its own arrangements for the prevention and detection of fraud. The respective auditors reviewed the arrangements in place and no concerns were raised in respect of standards of conduct or the prevention and detection of fraud.

110. We are not aware of any issues we require to bring to your attention in respect of standards of conduct or the prevention and detection of fraud.

Best Value

111. Integration Joint Boards have a statutory duty to make arrangements to secure Best Value. Best Value is concerned with using resources effectively and continually improving its priority services for communities. To achieve this, IJB's should have effective arrangements for scrutinising performance, monitoring progress towards their strategic objectives and holding partners to account.

112. We have previously reported that this is an area that required development.

113. We are pleased to report that in September 2020 the PAC considered a report on the Best Value arrangements for the IJB and partners, and an assessment for 2019/20. The review of the IJB's systems and processes was undertaken between February and May 2020.

114. The report notes the IJB has applied the Scottish Governments Best Value framework to its governance arrangements and activities to demonstrate how it and its partners is delivering Best Value and is securing economy, efficiency, effectiveness and equality in service provision. Management concluded that it has sufficient evidence and arrangements are in place to demonstrate that Best Value is being achieved. The intention is this becomes an annual process.

115. The IJB considered Dundee City Council's own Best Value self evaluation undertaken in February 2020. However, the IJB did not receive formal Best Value assurances from the Council or the Health Board. We suggest that formal assurances are sought from the Council and the Health Board for the 2020/21 assessment.

116. We have not performed detailed work to verify the results of the 2019/20 assessment but note that the outcome was, generally, positive. We are now able to conclude that the IJB has established an assessment and reporting mechanism to provide Best Value assurance to the Chief Officer and the Board.

117. The Accounts Commission published a [Best Value Assurance Report](#) on Dundee City Council in September 2020. A key message in the Accounts Commission report was Dundee City Council “has strong leadership, is self-aware about how it performs, and its services are improving in many areas”. A further key message was that “despite progress, Dundee continues to face complex and deep-rooted challenges. The city has the highest rate of drug related deaths in Scotland, and pressures around poverty and mental health remain significant. The Commission sees this situation as one of critical importance. The financial sustainability of the integration joint board (IJB) remains a risk and this will be exacerbated by the pressures emerging from the Covid-19 pandemic. It is important that the council works with its partners to ensure the financial sustainability of the IJB.”

118. The NHS Tayside 2019/20 annual audit report notes that it needs to carry out a review of its Best Value arrangements and how Best Value is being delivered. NHS Tayside agreed to map the Best Value Framework to the Board’s response to the Good Governance Blueprint.

Performance monitoring and reporting

119. Performance monitoring information is reported to the Performance and Audit Committee (PAC) at each meeting. Broadly, this is split between national performance indicators and local performance indicators.

120. The Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB to produce an annual performance report covering areas such as; assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities and the inspection of services. The 2019/20 report was approved by the Board at its October 2020 meeting.

121. The Board were advised that the compilation of the report was affected by the impact of Covid-19. It reduced the IJB’s opportunity to engage with a range of officers and stakeholders, including operational officers who were dealing with pressures associated with the Covid-19 response. Also, data published by Public Health Scotland for national health and wellbeing indicators (eleven to twenty) was available only for two of the indicators.

122. Consequently, the annual performance report includes 2019/20 financial year data for indicators 17 and 19, with all other indicators being reported against the 2019 calendar year. The IJB plan to update the report as soon as financial year data is made available by Public Health Scotland for all indicators.

123. For indicator 17 (proportion of care services graded ‘good’ (4) or better in Care Inspectorate inspections) performance has worsened, including being worse than the Scottish average. For indicator 19 (percentage of days people spend in hospital when they are ready to be discharged, per 1,000 population) performance has improved against local data and against the Scottish average.

124. Based on the available data for the other national indicators:

- performance has improved for 6 indicators
- performance has stayed the same or 1 indicator
- performance has worsened for 10 of the indicators, albeit the performance is better in 7 of the indicators compared to the Scottish average.

125. For the 2019/20 annual performance report, the IJB had planned to review its approach to annual reporting following on the approval in March 2019 of the updated Strategic and Commissioning Plan for 2019-22. This review was also to take into consideration the now delayed (due to Covid-19 pandemic) work which is being progressed at a national level, through the Ministerial Strategic Group for

Health and Community Care, to strengthen and align the production and publication approach for annual performance reports.

126. The IJB plans to progress this review during 2020/21 which also includes progressing work started on four high level performance indicators in the Strategic and Commissioning Plan for 2019-22. We will continue to monitor developments in this area.

Integration Scheme review

127. There is a legal requirement under the Public Bodies (Joint Working) (Scotland) Act 2014 on the partners Dundee City Council and NHS Tayside to review the Integration Scheme between them within 5 years of the original scheme's approval by Scottish Ministers. Therefore, Dundee City IJB's integration scheme was due to be reviewed by 21 September 2020. The 2014 Act prescribes how the review process should be undertaken, including a consultation process which should involve a wide range of stakeholders.

128. Due to the impact of Covid-19, the Scottish Government advised all IJBs in March 2020 that they did not expect the full integration review process to continue. The Scottish Government confirmed that Health Boards and local authorities should ensure that they jointly carry out the minimum requirement of a review and that the review is acknowledged jointly and formally by partners.

129. The Integration Joint Board were advised in August that the revised integration scheme will reflect the revised managerial arrangements for Inpatient Mental Health and Learning Disability Services, as well as changes regarding the Crisis Resolution and Home Treatment Teams. This is to take into account the Minister for Mental Health's announcement in March 2020 that the operational responsibility for the management of General Adult Psychiatry would be led by NHS Tayside rather than an Integrated Authority.

130. At the time of writing, management have advised that the review has been completed. It will be considered for approval before the calendar year end: by Dundee City Council at its November Policy and Resource Committee; by NHS Tayside Board at its November meeting and by the Integration Joint Board at its December meeting. Thereafter the revised integration scheme will be submitted to the Scottish Ministers for approval.

Inquiry into Mental Health Services in Tayside

131. In February 2020 the 'Trust and Respect Final Report of the Independent Inquiry into Mental Health Services in Tayside' was published. The report includes 51 improvement areas for partners across Tayside, including the IJB, to address in providing mental health services. The findings from the inquiry corroborate the IJB's findings from the MSG self-evaluation.

132. The Board at its February 2020 meeting considered a report about the inquiry and the collaborative approach being taken in response to the inquiry's findings. Plans were in place for the Board to consider a further report at its April 2020 meeting detailing the inquiry action plan and progress being made in relation to the findings of the inquiry report. The April meeting did not take place due to Covid-19.

133. The August 2020 Board considered a Mental Health and Wellbeing Strategic update report which had been prepared in June. It provided a status update on a number of areas including: the then position of the draft response to the Independent Inquiry report; the Dundee Mental Health and Wellbeing Strategic Plan 2019-2024, approved by the Board in August 2019; and the response of mental health services in Dundee in light of Covid-19.

134. The Board should continue to be provided with updates on progress with the implementation of the mental health inquiry recommendations. There is a risk of service failures if the Tayside wider partners and the IJB do not work in a coherent

way to fully address the inquiry findings, including ensuring the clinical and care governance arrangements are effective, coherent and joined up. We will continue to monitor the response of the IJB and its partners to the mental health inquiry.

National performance and statutory audit reports

135. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2019/20 we published some reports which may be of direct interest to the board as outlined in [Appendix 3](#).

136. The November 2019 Performance and Audit Committee considered the NHS Workforce Planning – Part 2 report, published in August 2019 which focused on the clinical workforce in general practice. The committee agreed that the report findings should be considered when developing the partnership's Integrated Workforce Plan and the Primary Care Improvement Plan.

137. On 27 February 2020 the Accounts Commission published a [statutory report](#) on Fife Integration Joint Board (IJB). Whilst the report relates to another IJB the Accounts Commission reported “that Fife IJB is not the only IJB nationally to face significant challenges”. The statutory report also noted that “The responsibilities of the Board itself – and thus its relationship with its partners Fife Council and NHS Fife need to be clearer and adhered to”.

138. The Accounts Commission reported also that:

- they were seriously concerned that progress in the IJB had been slow and that it faced clear ongoing financial sustainability issues, having reported recurrent overspends
- the IJB had no reserves and has been dependent upon additional year-end funding from both partners for the past three years
- the lack of sustainability undermined how the IJB will be able to improve and deliver vital health and social care services.

139. The Accounts Commission’s findings correlates with the findings of the Dundee City IJB MSG self-evaluation, the recent inquiry report into Mental Health Services in Tayside and its own progress with its own improvement agenda.

140. We recommend that the IJB continues to consider and review reports published by Audit Scotland, including when appropriate to develop locally agreed actions. We also recommend that consideration is given to the Accounts Commission’s statutory report, to identify areas where improvements are needed including in co-ordination with the IJB’s partners.

Good practice

141. The [Code of Audit Practice 2016](#) encourages auditors to identify good practice which in their opinion is worth sharing more widely.

142. We would like to highlight a recent Health Improvement Scotland (HIS) publication ‘Health and Social Care Learning System Findings and insights: understanding health and social care responses to COVID-19 and related public health measures’ available from their [website](#).

143. Within the [document](#) it details initiatives implemented by the IJB that it has assessed as good practice. Examples include included in HIS’s report are:

- Dundee City HSCP 'Safe Zone' developed by staff seeing a gap in services for vulnerable people.

- Dundee City HSCP redesigned vital services by using 'Near Me' and a collaborative approach, to meet the needs of the young people using their services.

144. The IJB's Annual Performance Report 2019-20 was approved by the Board at its October 2020 meeting. Some examples from the report noted as good practice are:

- Continued development of an Assessment at Home model in partnership with British Red Cross as a means of enabling people to step down from a hospital setting and continue the assessment of their care at home. During 2019/20 the service supported 95 people to return home as an alternative to a care home admission. 72% of the 95 people were enabled to continue to live independently in their own home following assessment.
- Same day prescribing and direct access clinics have been implemented by Integrated Substance Misuse Services with the service moving towards delivering services from different localities within Dundee to increase prescribing capacity.

Appendix 1

Action plan 2019/20



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Medium to long term financial plans</p> <p>The IJB has yet to develop medium to long term financial plans to demonstrate how it will fund future funding gaps.</p> <p>Risk</p> <p>The IJB may not be planning adequately over the medium to long term to manage or respond to significant financial risks.</p>	<p>The 1-5-year financial plan should be progressed and presented to the Board to help demonstrate the longer term financial sustainability of planned IJB services. This is increasingly important as demand pressures increase and the IJB plans for service redesign over medium and longer time frames. Plans should include scenario planning in the Covid-19 environment.</p> <p>Paragraph 44</p>	<p>The development of a meaningful medium to longer term financial plan has been impacted on by significant uncertainty around funding with delays in UK and Scottish Government finance settlements for both 2020/21 and 2021/22 and the impact of Covid19 in 2020/21 disrupting the planning process. A medium to long term financial plan will be developed and presented to the IJB as part of a suite of budget development reports for 2021/22 onwards.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: March 2021</p>
2	<p>Savings and transformation reporting</p> <p>Updates on the IJB's transformation programme and efficiency savings are not reported to the Board on a regular basis.</p> <p>Risk</p> <p>Members may not be fully aware of the position and unable to take corrective actions.</p>	<p>The position on the achievement of savings proposals and transformation should be clearly and regularly reported to members. The impact from Covid-19 and delivering pandemic remobilisation plans will also need to be considered.</p> <p>Paragraph 69</p>	<p>The IJB is provided with an overview of the risks of delivery associated with the savings programme as part of regular financial monitoring reports presented to the IJB. This will be enhanced during the year with a minimum of two specific savings and transformation reports outlining the progress made with implementation of service change initiatives.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: August 2021</p>
3	<p>Leadership and governance - support</p> <p>Plans to progress a programme of development and training opportunities for</p>	<p>Work to embed a programme of development and training opportunities for Board members should be progressed.</p>	<p>A programme of coordinated work which brings together the individual pieces of development and training opportunities already in</p>

members, co-ordinated alongside those of Dundee City Council and NHS Tayside has not progressed to the extent planned.

Risk

There is a risk that leadership and governance arrangements are not effective if members are not sufficiently trained and supported.

Paragraph 77

existence and new development opportunities under one framework will be produced with the respective statutory partners.

Responsible officer: Chief Officer

Agreed date: June 2021

4 Board composition - registered medical practitioner providing primary care

The IJB has not had professional primary care input for a number of years, since June 2018.

Risk

The IJB does not have sufficient and appropriate professional input, which could undermine its decision making.

The IJB should escalate to NHS Tayside again, that the IJB has not had professional input from a 'registered medical practitioner whose name is included in the list of primary medical services performers' for a number of years and request NHS Tayside appoint to this non-voting role.

Paragraph 79

Both the Clerk to the IJB and the Chair of the IJB have written to NHS Tayside to request a nomination to this role.

The IJB will continue to make this request however it is the role of NHS Tayside to provide an appropriate nomination.

Responsible officer: Clerk to the Board / Chief Officer

Agreed date: December 2020

5 Improvement agenda - action plan progress

From its inception the IJB has experienced significant delays in progressing its improvement and governance actions. This issue has been escalated to the Board from the PAC.

Risk

The commitments set out in the IJB's Strategic and Commissioning Plan and Covid-19 remobilisation plan may not be delivered if improvement actions are not delivered within the appropriate timescales. Governance arrangements may not support effective decision making.

The Governance Action Plan should be developed to include all improvement action plans. Actions should be reviewed for their continued relevance and priority.

The Board and PAC should continue to be updated on implementation progress across all governance and improvement areas.

Paragraph 91

All improvement actions now included within the Governance Action Plan which is reported to the PAC at each meeting. Assurance to the IJB from the PAC will be provided on satisfactory progress being made in implementing the outstanding recommended actions.

Responsible officer: Chief Finance Officer

Agreed date: December 2020

6 Risk management

Progress has been slow to implement the recommendations from the internal risk maturity audit, reported in September 2018.

The Board and PAC are updated on progress in delivering against the risk maturity action plan.

Paragraph 98

As reported in the Governance Action Plan, progress is now being made with full implementation of the recommendations to be achieved by March 2021.

Recently a Tayside Risk Management Group chaired by the CFO has been established to promote completion of the actions by December 2020.

Risk

Until risk management arrangements are effective there is a risk that exposure to risks may not be understood, highlighted and appropriately mitigated through management controls.

Responsible officer: Chief Finance Officer

Agreed date: March 2021

<p>7 Internal audit - programme</p> <p>There continues to be slippage in the delivery of internal audit plans.</p> <p>Consequently, for 2020/21 the Board approved previously agreed outstanding audit plans with updated scopes, would be progressed rather than create a further plan.</p> <p>Risk</p> <p>Members may not be able to scrutinise key risk areas timeously if internal audit audits are delayed.</p>	<p>Supported by management, the delivery of internal audit plans should be kept under review to ensure the IJB receives appropriate and sufficient assurances on its governance arrangements and systems of its internal controls.</p> <p>Paragraph 105</p>	<p>The re-profiling of the 2020/21 internal audit plan reduces the risk of non-delivery of the plan and enables future plans to be achieved in line with the anticipated timescales, providing the IJB and PAC with the appropriate assurances.</p> <p>Progress of the internal audit plan will continue to be monitored through the internal audit progress report provided to each meeting of the PAC.</p> <p>Responsible officer: Chief Finance Officer / Chief Internal Auditor</p> <p>Agreed date: December 2020</p>
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Follow up of prior year recommendations

<p>PY 1 Financial accounting records</p> <p>The financial ledger had not been fully updated to reflect all accounting entries prior to the production of the annual accounts.</p> <p>Risk</p> <p>Accounting records may not include all the transactions and balances to reflect a true and fair view of the IJB's accounts.</p>	<p>The financial ledger should be fully updated in 2019/20 prior to the approval of the annual accounts.</p> <p>Paragraph 17</p>	<p>Complete</p> <p>The ledger was fully updated in 2019/20.</p>
<p>PY 2 Failure to comply with statutory regulations</p> <p>The Chief Officer was on leave until after 30 September 2019. As a result, the accounts were not signed, approved and authorised for issue until after the statutory date set out in the</p>	<p>The arrangements for the approval of the accounts should be reviewed to ensure that all signatories are available to sign the accounts immediately after they are approved by the Performance and Audit Committee.</p>	<p>Complete</p> <p>The CFO reviewed arrangements to ensure the availability of officers and members to ensure the requirements of the regulations as met.</p>

Local Authority Accounts (Scotland) Regulations 2014.

Paragraph 21

Risk

The IJB are not complying with statutory regulations.

PY 3	Medium to long term financial plans	A long-term financial strategy (5 years or more) supported by clear and detailed financial plans (3 years or more) should be prepared. This is increasingly important as demand pressures increase, financial settlements continue to reduce and fundamental service redesign over a longer time frame becomes necessary.	In progress
	The Board approved a Strategic and Commissioning Plan 2019-22 in March 2019, which projected funding shortfalls for the three year period. The IJB has yet to develop medium to long term financial plans to demonstrate how it will fund future funding gaps.	Plans should include scenario planning.	Carried forward to action 1 above.
	Risk	Paragraph 41	
	The IJB may not be planning adequately over the medium to long term to manage or respond to significant financial risks.		
PY 4	Savings reporting	The position of the achievement of savings proposals and the impact on the transformation programme should be regularly reported to members.	In progress
	The IJB reports changes to the risk profile of savings but does not report to members on the savings achieved and whether delivery is on track.	Paragraph 47	Carried forward to action 2 above.
	Risk		
	Members may not be fully aware of the impact of not delivering savings.		
PY 5	EU withdrawal	The risks arising from EU withdrawal should be included in the IJB's strategic risk register and, as commissioning authority, the IJB should seek to ensure, that satisfactory arrangements have been put in place by partner bodies to manage potential risks.	Complete
	The risks entailed by EU withdrawal are not included in the IJB's strategic risk register but continue to sit with the partner bodies.	Paragraph 53	Strategic Risk Register presented to August 2020 Board included a risk on the impact of EU withdrawal.
	Risk		Note: the risk register noted that the impact of the Covid-19 response has meant the preparations for the EU withdrawal have been unable to be progressed.
	The IJB may not be adequately mitigating risks to its operation arising from EU withdrawal.		
PY 6	Clinical, Care and Professional Governance Group Assurance Reports	Chair's Assurance Report from the Clinical, Care and Professional Governance Group should be presented to the Performance and Audit Committee on a regular basis.	Complete
	In September 2018, the Performance and Audit Committee received its first Chair's Assurance Report from the Clinical, Care and Professional Governance Group. No CCPG Assurance	Paragraph 59	A Chair's Assurance Report from the Clinical, Care and Professional Governance Group is now considered at each Performance and Audit Committee meeting.

Reports were provided to the March 2019 or May 2019 Performance and Audit Committee meetings.

Risk

The Board does not have complete and sufficient assurances on clinical care governance.

PY 7	Board attendance	The IJB should liaise with NHS Tayside and consider the arrangements for regular attendance by a member appointed as the registered medical practitioner providing primary care.	Incomplete
	The registered medical practitioner providing primary care, a non-voting member of the IJB, has been unable to attend the majority of meetings in the last year.	Paragraph 60	Carried forward to action 4 above.
	Risk		
	Appropriate professional care expertise may not be considered by the Board.		
PY 8	Internal audit	Management should review the interaction with internal audit to ensure that all planned internal audit work is completed timeously.	In progress
	There continues to be slippage in reporting on internal audit work to the Performance and Audit Committee.	Paragraph 77	Carried forward to action 7 above.
	Risk:		
	Members may not be able to scrutinise key risk areas timeously if internal audit reports are delayed.		
PY 9	Action plan progress report	The Governance Action Plan progress report should be further developed to include all improvement action plans.	Incomplete
	Since March 2019 a Governance Action Plan progress report has been presented to the Performance and Audit Committee. The report does not include all improvement action plans.	Paragraph 78	Carried forward to action 5 above.
	Risk		
	The commitments set out in the IJB's Strategic Commissioning Plan may not be delivered timeously if improvement actions are not delivered within the agreed timescales.		

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Risk of material misstatement caused by management override of controls</p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>We undertook testing of journal entries, reviewed accounting estimates, and accruals.</p> <p>We evaluated significant transactions that are outside the normal course of business.</p> <p>We obtained service auditor assurances from the auditors of Dundee City Council and NHS Tayside over the completeness, accuracy and allocation of the income and expenditure.</p>	<p>No issues identified in respect of management override of controls.</p>
<p>2 Risk of material misstatement caused by fraud in expenditure</p> <p>The Code of Audit Practice requires us to cover the risk of fraud over expenditure. The expenditure of the IJB is processed through the financial systems of Dundee City Council and NHS Tayside. There is a risk that non IJB related expenditure is incorrectly posted to IJB account codes.</p>	<p>We obtained service auditor assurances from the auditors of Dundee City Council and NHS Tayside over the completeness, accuracy and allocation of the income and expenditure.</p>	<p>No issues identified in respect of the risk of fraud/error over expenditure.</p>
<p>3 Acute hospital set aside budget</p> <p>The “set aside” budget is the IJB’s share of the budget for delegated acute services provided by large hospitals on behalf of the IJB.</p> <p>The figure is estimated based on prior year data and activity levels provided by NHS</p>	<p>Engaged with officers to ensure that a robust mechanism has been developed to quantify the IJB’s set aside income and expenditure.</p> <p>Monitored Scottish Government guidance on the treatment of set aside in the 2019/20 financial statements to establish whether the</p>	<p>No issues identified. The 2019/20 set aside figure was calculated in accordance with extant guidance. The Chief Finance Officer continues to work with NHS Tayside to develop a methodology to provide a more robust estimate of set aside.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>National Services Scotland's Information Services Division.</p> <p>There is a risk that the income and expenditure of the IJB is misstated in 2019/20 due to the lack of current activity information. There is also a risk that the sum set aside recorded in the annual accounts will not reflect actual hospital use in 2019/20.</p>	<p>financial statements are compliant.</p>	
<p>4 Financial accounting records</p> <p>The 2018/19 financial ledger had not been fully updated to reflect all accounting entries prior to the production of the annual accounts.</p> <p>There is a risk that the accounting records may not include all transactions and balances. This could impact on the IJB's ability to demonstrate that the annual accounts show a true and fair view of its financial position.</p>	<p>Agreed the 2019/20 annual accounts to the financial ledger and supporting financial information from the parent bodies.</p> <p>Obtained assurances from the auditors of Dundee City Council and NHS Tayside over the accuracy, completeness and appropriate allocation of the IJB ledger entries.</p>	<p>No issues identified.</p>
<p>5 Compliance with the Local Authority Accounts (Scotland) Regulations 2014</p> <p>The 2018/19 annual accounts did not comply with the Local Authority Accounts (Scotland) Regulations 2014. The Chief Officer was on leave until after 30 September 2019 which meant the 2018/19 annual accounts were not signed, approved and authorised for issue until after the required date set out in the 2014 statutory regulations.</p> <p>There is a risk that the IJB fails to comply with the statutory regulations related to the 2019/20 annual accounts.</p>	<p>Continued to meet with key finance officers throughout the year to ensure plans were in place to ensure compliance with the 2014 statutory regulations.</p>	<p>No issues identified.</p>
<p>6 Annual accounts audit process</p> <p>Whilst we note the commitment of key IJB finance officers, during the 2019/20 and 2018/19 audits we have encountered slow responses to audit queries.</p> <p>There is a risk that the 2019/20 annual accounts audit timetable cannot be achieved.</p>	<p>Continued to meet with finance officers throughout the year, and in light of timetable adjustment due to Covid-19, to ensure the timetable for receipt of the unaudited annual accounts and working papers was met to allow the audit to be progressed in a timely manner.</p>	<p>Audit timetable delayed in 2019/20 due to Covid-19, but Scottish Government timelines were met.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>This could result in the IJB annual accounts not being published by the 30 September 2020 deadline as required by the 2014 regulations.</p>		
<p>Risks identified from the auditor's wider responsibility under the Code of Audit Practice</p>		
<p>7 Financial sustainability</p> <p>The IJB cannot demonstrate its services are sustainable in the future. Medium to long-term financial plans are yet to be developed.</p> <p>The financial monitoring position as at December 2019 noted a projected overspend of £3.897 million. This will be offset by the IJB's non-earmarked reserves leaving £3.336 million to be met by the partners' risk sharing agreement.</p> <p>The likely year end reserve balance after offset of overspends is £0.300 million of earmarked reserves.</p> <p>There is a risk that the IJB services are not sustainable and the IJB is unable to achieve improvements in health and social care services.</p>	<p>Reviewed ongoing budget monitoring and progress made on meeting savings targets and dealing with cost pressures.</p> <p>Reviewed the IJB's recovery plan agreed with Dundee City Council and NHS Tayside.</p> <p>Considered the position with the 1-5 year financial plan.</p> <p>Reviewed the Chief Finance Officer's evidence to support the going concern assumption for the 2019/20 annual accounts.</p>	<p>Plans to develop a 1-5 financial plan were delayed due to competing priorities stemming from responding to the Covid-19 pandemic.</p> <p>The final 2019/20 budget monitoring report did not contain details of savings achieved against target.</p> <p>The IJB incurred a deficit of £2.274 million in 2019/20, after utilising all the non-earmarked element of the general fund reserve; and receipt of additional partner funding of £3.063 million through the risk sharing agreement.</p> <p>The year end earmarked reserve is £0.492 million.</p> <p>See action point 1 above.</p>
<p>8 IJB strategic and commissioning plan and transformation</p> <p>The Board approved the 2019-22 Strategic and Commissioning Plan in March 2019. The IJB stated it would monitor progress of the plan on an ongoing basis, and report through its Integrated Strategic Planning Group, to the Board and its partners. The Board is yet to be provided with an update on progress.</p> <p>We also note detailed updates on the IJB's transformation programme are not reported to the Board on a regular basis.</p> <p>We have been advised that the Integrated Strategic Planning Group and the transformation group terms of reference and membership are being reviewed with the view to combine the groups.</p>	<p>Monitored progress with Strategic and Commissioning Plan and transformation reporting to the Board.</p>	<p>In part due to Covid-19 there has been no specific reporting to the Board on progress against the strategic commissioning plan and transformation.</p> <p>See action point 2 and 5 above.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>There is a risk that the Board are not aware of whether strategic priorities are being achieved. Nor are they aware of the rate of progress being made with the transformation programme.</p>		
<p>9 Financial management – budget setting</p> <p>The IJB awaits the formal budget offers from NHS Tayside and Dundee City Council for its 2020/21 budget.</p> <p>There is a risk that these figures will not be finalised before the start of the 2020/21 financial year and the IJB will be operating without a formally agreed budget.</p>	<p>Monitored the 2020/21 budget setting and reporting to the Board.</p>	<p>No issues to report.</p> <p>See paragraph 45 to 53 above.</p>
<p>10 Governance – improvement actions</p> <p>The 2019 Ministerial Strategic Group (MSG) self-evaluation completed by the IJB in 2019 noted a significant number of governance improvement actions. These included: ensuring the IJB’s S95 officer is appropriately supported; the Chief Officer is effectively supported and empowered to act on behalf of the IJB; and clinical and care governance arrangements are effective, coherent and joined up.</p> <p>There is a risk that the governance arrangements including clinical and care governance arrangements are not appropriate or operating effectively.</p>	<p>Monitored developments with the implementation of the MSG action plan and reporting to the Board.</p> <p>Considered the outcome of the core functions mapping exercise and reporting to the Board.</p> <p>Reviewed the Chief Finance Officer’s evidence to support the IJB’s 2019/20 annual governance statement.</p>	<p>Delays in implementing governance improvement actions continue. There has been no reporting to the Board on progress with the MSG self-evaluation action plan.</p> <p>See action point 5 above.</p>
<p>11 Inquiry into Mental Health Services in Tayside</p> <p>In February 2020 the ‘Trust and Respect Final Report of the Independent Inquiry into Mental Health Services in Tayside’ was published. The report includes 51 improvement areas for partners across Tayside, including the IJB, to address in providing mental health services. The findings from the inquiry corroborate the IJB’s findings from the MSG self-evaluation.</p>	<p>Monitored the response of the IJB and its partners to the mental health inquiry.</p>	<p>No issues to report.</p> <p>See paragraph 131 to 134 above.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>There is a risk of service failures if the Tayside wider partners and the IJB do not work in a coherent way to fully address the inquiry findings, including ensuring the clinical and care governance arrangements are effective, coherent and joined up.</p>		
<p>12 Risk management</p> <p>Following the September 2018 internal audit report - risk maturity review, a number of actions continue to be progressed by the IJB. This includes updating the IJB's risk strategy to develop and build effective risk management arrangements and clarifying the arrangements between the IJB, its parent bodies and the two other IJBs within the Tayside area.</p> <p>We also note the strategic risk register was last presented to the Board in May 2018.</p> <p>Until the risk management arrangements are fully developed and embedded by the IJB and across the Tayside partnerships there is a risk that exposure to risks may not be highlighted and appropriately mitigated through suitable management controls.</p> <p>There is also a risk that members are not cited on the current risks facing the IJB undermining their ability to challenge and scrutinise.</p>	<p>Monitored progress with the implementation of the internal audit report - risk maturity review action plan including progress with the joint working.</p> <p>Monitored strategic risk management and register updates to the Board.</p>	<p>Internal audit in their 2019/20 annual report noted that whilst the strategic risk register had been updated to include the impact of Covid-19, there had been no monitoring of corporate risks at a governance level.</p> <p>Subsequently the Board considered a Strategic Risk Register and Risk Management Report at its August 2020 meeting.</p> <p>See action point 6 above.</p>
<p>13 Board member attendance</p> <p>The February 2020 meeting of the Performance and Audit Committee (PAC) was cancelled due to voting members vacancies or non-attendance of members.</p> <p>Whilst for 2019/20 the PAC has complied with its terms of reference to meet at least three times each financial year, a risk remains that the Board and the PAC are unable to discharge their duties if meetings do not take place as planned.</p>	<p>Reviewed the IJB's attendance records for the Board and PAC meetings.</p>	<p>No further meetings have been cancelled due to quoracy issues. Both partner bodies have identified proxy members for the IJB voting membership.</p> <p>See paragraph 70 to 77 above.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>14 Leadership and governance</p> <p>During 2019/20 there has been significant change in the membership of the Board and the PAC. There is evidence that training and support has not been sufficient to meet the needs of members.</p> <p>There is a risk that leadership and governance arrangements are not effective if members are not sufficiently trained and supported.</p>	<p>Monitored progress with the development and uptake of training and development opportunities.</p>	<p>The training and development programme has not been established to the extent planned due to Covid-19 competing priorities.</p> <p>See action point 3 above.</p>
<p>15 Vacant position – registered medical practitioner providing primary care</p> <p>The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 stipulates that a non-voting position of ‘registered medical practitioner whose name is included in the list of primary medical services performers’ is appointed to the Board.</p> <p>We reported in the 2018/19 annual audit report that the nominated member for this role had been unable to attend the majority of meetings in 2018/19. The previous nominee has now stood down and a replacement is yet to be identified.</p> <p>The IJB is not complying with the legislation and there is a risk that appropriate professional care expertise is not provided to the Board.</p>	<p>Monitored progress with the appointment of a replacement.</p>	<p>The vacancy has not been filled by NHS Tayside.</p> <p>See action point 4 above.</p>
<p>16 Best Value</p> <p>The statutory duty of Best Value applies to all public bodies in Scotland. There is currently no mechanism in place within the IJB to formally review how it is meeting its Best Value responsibilities.</p> <p>The IJB is unable to demonstrate that it is meeting its statutory duty to deliver Best Value.</p>	<p>Monitored progress with Best Value reporting.</p>	<p>A Best Value reporting and assurance process has been established.</p> <p>See paragraph 111 to 118 above.</p>
<p>17 Implementation of improvement actions and recommendations</p>	<p>Monitored developments with the Governance Action Plan and reporting to the PAC.</p>	<p>Delays in implementing governance improvement actions continue. The Governance Action Plan has not been expanded to</p>

Audit risk	Assurance procedure	Results and conclusions
<p>In addition to the MSG action plan, the IJB has a number of other improvement action plans which it has committed to implement. Many, but not all of the action plans are included in the Governance Action Plan report which is presented to the PAC.</p> <p>The improvement action plans include internally identified actions (performance management and risk management), scrutiny bodies' improvement actions (e.g. the Care Inspectorate); and internal and external audit actions and recommendations. There is evidence of continuing slippage in delivery across all areas of improvement.</p> <p>There is a risk that the commitments set out in the IJB's Strategic and Commissioning Plan may not be delivered timeously if improvement actions are not sufficiently coordinated and not delivered within the agreed timescales.</p>		<p>reference all of the IJBs improvement activities.</p> <p>See action point 5 above.</p>
<p>18 Internal audit plan – slippage</p> <p>There continues to be slippage in reporting on internal audit work to the PAC. The 2018/19 plan has not been completed which has impacted on the delivery of the 2019/20 plan.</p> <p>We have been advised that this is, in part, due to managements difficulty with providing the necessary resource to support the internal audit process. The PAC has agreed for 2019/20 that internal audit deliver the remaining reviews from 2018/19.</p> <p>There is a risk that members may not be able to scrutinise key risk areas timeously if internal audit reports are delayed. Also, the Chief Finance Officer may not receive the assurances required to compile the 2019/20 annual governance statement.</p>	<p>Continued to monitor progress with delivery and reporting against the internal audit plan.</p> <p>Reviewed the Chief Finance Officer's evidence to support the IJB's 2019/20 annual governance statement.</p>	<p>The year-end work undertaken by internal audit allowed the CIA to provide their annual audit opinion for the 2019/20 annual governance statement.</p> <p>Substantive internal audit reports have been issued and considered by the PAC at their September 2020 meeting.</p> <p>See action point 7 above.</p>

Appendix 3

Summary of national performance reports 2019/20



		Apr	
Social security: Implementing the devolved powers		May	
Scotland's colleges 2019		Jun	 Enabling digital government
		Jul	
NHS workforce planning - part 2		Aug	
Finances of Scottish universities		Sept	
NHS in Scotland 2019		Oct	
		Nov	
Local government in Scotland: Financial overview 2018/19		Dec	
Scotland's City Region and Growth Deals		Jan	 Privately financed infrastructure investment: The Non-Profit Distributing (NPD) and hub models
		Feb	
		Mar	 Early learning and childcare: follow-up

Dundee City IJB

2019/20 Annual Audit Report

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