

Report To: IJB Audit Committee **Date:** 20 March 2018
Report By: Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership **Report No:** IJBA/02/2018/AP
Contact Officer: Andi Priestman **Contact No:** 01475 712251

Subject: INTERNAL AUDIT PROGRESS REPORT – 8 JANUARY TO 23 FEBRUARY 2018

1.0 PURPOSE

- 1.1 The purpose of this report is to enable IJB Audit Committee members to monitor the performance of Internal Audit and gain an overview of the IJB's overall control environment.
- 1.2 The report also presents an update on the Internal Audit work undertaken at Inverclyde Council and NHS Greater Glasgow and Clyde (NHSGGC) between 8 January and 23 February 2018 that may have an impact upon the IJB's control environment.

2.0 SUMMARY

- 2.1 There were no internal audit reports finalised since the last Audit Committee meeting in January 2018.
- 2.2 The fieldwork for the 2017/2018 plan is underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	1
Draft Report	0
Fieldwork Complete	0
Fieldwork in Progress	0
Planning	1
Not Started	0
Total	2

- 2.3 In relation to Internal Audit follow up, there were 3 action plans due for completion by 28 February 2018 and action dates in relation to all 3 actions has been revised. The current status report is attached at Appendix 1.
- 2.4 In addition, since the last Audit Committee meeting in January 2018, a number of Internal Audit Reports have been reported to Inverclyde Council and NHSGGC which are relevant to the IJB Audit Committee which are set out in Section 5 of this report.

2.5 Actions have been agreed with management and Internal Audit within Inverclyde Council and NHSGGC undertake follow up of actions in accordance with agreed processes and report on progress to the respective Audit Committees.

3.0 RECOMMENDATIONS

3.1 It is recommended that IJB Audit Committee members agree to note the progress made by Internal Audit in the period from 8 January and 23 February 2018.

Louise Long
Chief Officer Inverclyde Integration Joint Board

4.0 BACKGROUND

- 4.1 In September 2017, the Audit Committee approved the current Internal Audit Annual Plan which detailed the activity to be undertaken during 2017-18.
- 4.2 Internal Audit reports findings and action plans to relevant IJB Officers and the Audit Committee as part of the annual audit plan. A follow up process is in place to allow follow up of current internal audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to the Audit Committee.
- 4.3 In each audit, one of 4 overall opinions is expressed:-

Strong	In our opinion there is a sound system of internal controls designed to ensure that the organisation is able to achieve its objectives.
Satisfactory	In our opinion isolated areas of control weakness were identified which, whilst not systemic, put some organisation objectives at risk.
Requires improvement	In our opinion systemic and/or material control weaknesses were identified such that some organisation objectives are put at significant risk.
Unsatisfactory	In our opinion the control environment was considered inadequate to ensure that the organisation is able to achieve its objectives.

- 4.4 Individual audit findings are categorised as Red, Amber or Green:-

Red	In our opinion the control environment is insufficient to address the risk and could impact the organisation as a whole. Corrective action must be taken and should start immediately.
Amber	In our opinion there are areas of control weakness which we consider to be individually significant but are unlikely to affect the organisation as a whole.
Green	In our opinion our audit highlighted areas for minor control improvement and/or areas of minor control weakness.

- 4.5 A summary is also provided in relation to internal audit work undertaken at Inverclyde Council and NHS Greater Glasgow and Clyde that may have an impact upon the IJB's control environment.

5.0 CURRENT POSITION

- 5.1 There were no internal audit reports finalised since the last Audit Committee meeting in January 2018.
- 5.2 The fieldwork for the 2017/2018 plan is underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	1
Draft Report	0
Fieldwork Complete	0
Fieldwork in Progress	0
Planning	1
Not Started	0
Total	2

5.0 CURRENT POSITION (CONTINUED)

5.3 In relation to Internal Audit follow up, there were 3 items due for completion by 28 February 2018 and action dates in relation to all 3 items has been revised. The current status report is attached at Appendix 1.

5.4 Inverclyde Council – Internal Audit Progress Report Summary

Since the last Audit Committee meeting in January 2018, the following Internal Audit Report has been reported to Inverclyde Council, which is relevant to the IJB Audit Committee:-

Audit Report	Report Opinion	Number/Category of Issues		
		Red	Amber	Green
Quick Quotes (1)	Satisfactory	0	4	6

5.5 (1) Quick Quote is an online quotation facility hosted on Public Contracts Scotland, which was launched in August 2008 by the Scottish Government. The objective is to provide a single public sector “electronic portal” where suppliers can bid for Public Sector Contracts.

Within Inverclyde Council, Quick Quote only applies to goods or services with an aggregate spend of between £5,000 and £25,000 and works between £10,000 and £100,000 respectively. It is intended to apply to “low risk/low value” contracts only.

A minimum of four potential suppliers should be selected from companies registered on Quick Quote and invited to bid electronically for the contract. After the deadline has passed, the bids are evaluated and a contract awarded to the successful company.

The audit identified 4 AMBER issues summarised as follows:

- Testing identified that for some cases, a shorter timescale for bid submissions was applied resulting in a lower number of bid submissions being received which may not demonstrate value for money.
- Housekeeping to close off the awarded contract on Quick Quotes was not always being done timeously or at all.
- Registered companies are not subject of any form of vetting or validation and are not regulated in the same way as other frameworks. Currently, the only check conducted consists of a Company’s House check. However, this check is not consistently performed by all services. Proportionate checks require to be implemented.
- Management information such as a list of successful bidders, contract award notices, single bid contracts, Quick Quote award analysis and any outstanding notices is not routinely produced or acted upon by any service.

An action plan is in place to address all issues by 30 November 2018.

5.6 As part of the Internal Audit Annual report to the IJB Audit Committee, reports rated Unsatisfactory or Requires Improvement will be considered for inclusion within the IJB’s annual governance statement as appropriate.

5.0 CURRENT POSITION (CONTINUED)

5.7 In addition, corporate fraud investigations have been undertaken as follows:

Year/Ref	Enquiry	Status
17/18 17-93	Misuse of Expired Blue Badge	Closed - misuse established and badge seized. Letter issued to badge holder.
17/18 17-94	Misuse of Expired Blue Badge	Closed – misuse established and badge seized. Letter issued to badge holder.
17/18 17-102	Misuse of Expired Blue Badge	Closed – misuse established and database updated.
17/18 17-107	Misuse of Expired Blue Badge	Closed – misuse established and badge seized.

5.8 NHSGGC - Internal Audit Progress Report Summary

Since the last Audit Committee meeting in January 2018, the following Internal Audit Reports have been issued to and agreed by NHSGGC Audit Committee which are relevant to the IJB Audit Committee:-

Audit Report	Opinion	Number/Category of Issues		
		High	Medium	Low
Waiting times management (1)	High	1	3	1
Suicide risk assessment (2)	High	1	2	1
Delayed discharge (3)	Medium	-	4	-
Temporary staffing: nursing (4)	Medium	-	2	1
Key financial controls: accounts payable	Low	-	-	-
Key financial controls: fixed assets	Low	-	-	3
Total findings		2	11	6

5.9 High Risk indicates findings that could have a:-

- Significant impact on operational performance; or
- Significant monetary or financial statement impact; or
- Significant breach in laws and regulations resulting in significant fines and consequences; or
- Significant impact on the reputation or brand of the organisation

Medium Risk indicates findings that could have a:-

- Moderate impact on operational performance; or
- Moderate monetary or financial statement impact; or
- Moderate breach in laws and regulations resulting in significant fines and consequences; or
- Moderate impact on the reputation or brand of the organisation

Low Risk indicates findings that could have a:-

- Low impact on operational performance; or
- Low monetary or financial statement impact; or
- Low breach in laws and regulations resulting in significant fines and consequences; or
- Low impact on the reputation or brand of the organisation

5.0 CURRENT POSITION (CONTINUED)

- 5.10 (1) Following the findings of a previous audit report, a new corporate capacity planning exercise was undertaken. The programme of demand and capacity gap assessment and improvement were intended to provide a consistent approach to addressing the deteriorating performance against waiting times targets. Whilst a significant level of time and resource has been expended to date on implementing the programme of demand and capacity gap assessment and improvement, there is a risk that this exercise will not deliver its key objectives due to the current lack of project management discipline and the absence of a capacity planning approach that considers actual available resource.
- (2) NHS Greater Glasgow and Clyde has a series of risk assessment protocols in place, which address numerous mental health risk factors including suicide. Overall PwC found that whilst there are risk assessment tools in place which have been tailored for specific service needs, these are not being completed in practice in accordance with the requirements of the Board's policies. They also found that there are gaps in the coordination of suicide risk assessment across service areas in NHS Greater Glasgow and Clyde. At the time of the report, Board suicide prevention guidelines covered adult mental health services only, rather than including CAMHS, Acute and Primary Care services. As part of the revision of risk management policy, management has recognised that an overarching framework of Suicide Prevention Guidance needed to be developed to bring together all relevant policies into one coherent document. That is now available online through Staffnet. Management also accepted the criticism of suicide prevention training (as distinct from risk management training) made in this audit.
- (3) In 2015/16, NHS Greater Glasgow and Clyde received additional funding from the Scottish Government of £23.66m allocated across the Board's six Health and Social Care Partnerships (HSCPs) over a period of three years. This funding came from the national Integration Fund and was designed to support reduced numbers of delayed discharges. The key finding of this report is that, in order to drive tangible and sustainable improvement against delayed discharge targets, a more detailed, data-driven and targeted approach must be taken in order to identify and change underlying root causes at a granular, departmental and patient-pathway level. This approach should be based on available delayed discharge data, lost bed days data and any additional understanding that can be gained on detailed underlying root causes for delay. Actions should then be targeted towards the areas which present the poorest performance. By doing this, the Board will be better equipped to create and prioritise meaningful actions.
- (4) In the last 12 months the Board has initiated a series of actions to consider the use of temporary staffing across nursing and midwifery. At present the focus is on reducing the level of agency use. Whilst in the longer term it is the objective that reliance on bank staff will be reduced, it has been acknowledged that bank staff will always be required as a contingency across the health service. The findings and recommendations raised within this report demonstrate that the root cause of the issues is the need to set consistent minimum standards for approving the use of agency requests, for managing and monitoring complaints and to ensure proper on-boarding of agency staff.
- 5.11 Internal Audit undertakes follow up work to confirm the implementation of high risk and a sample of medium risk recommendations. The results of the follow up work is reported to the NHSGCC Audit Committee with any matters of concern being drawn to the attention of this Committee.

5.0 CURRENT POSITION (CONTINUED)

- 5.12 As part of the Internal Audit Annual report to the IJB Audit Committee, annual reports rated Unsatisfactory or Major Improvement Required will be considered for inclusion within the IJB's annual governance statement as appropriate.

6.0 IMPLICATIONS

Finance

- 6.1 The work required to deliver the Annual Internal Audit Plan will be contained within the existing Internal Audit budget set by Inverclyde Council.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

Legal

- 6.2 There are no direct legal implications arising from this report.

Human Resources

- 6.3 There are no direct HR implications arising from this report.

Equalities

- 6.4 There are no direct equalities implications arising from this report.

Clinical or Care Governance Implications

There are no direct clinical or care governance implications arising from this report.

- 6.5 **National Wellbeing Outcomes**

There are no direct national wellbeing outcomes arising from this report.

7.0 CONSULTATIONS

- 7.1 N/A

8.0 LIST OF BACKGROUND PAPERS

- 8.1 Internal Audit Reports. Copies available from Chief Internal Auditor.

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
AT 28 FEBRUARY 2018**

Summary: Section 1 Summary of Management Actions due for completion by 28/02/18

There were 3 items due for completion by 28 February 2018 and action dates in relation to all 3 items have been revised.

Section 2 Summary of Current Management Actions Plans at 28/02/18

At 28 February 2018 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 28/02/18

At 28 February 2018 there were 8 current audit action points.

Section 4 Analysis of Missed Deadlines

At 28 February 2018 there were 3 audit action points where the agreed deadline had been missed.

Section 5 Summary of Audit Action Points By Audit Year

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 28.02.18

SECTION 1

No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*	No action proposed
3	0	3		

* These actions are included in the Analysis of Missed Deadlines – Section 4

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF CURRENT MANAGEMENT ACTIONS AS AT 28.02.18

SECTION 2

Current Actions	
Due for completion June 2018	4
Due for completion September 2018	3
Due for completion December 2018	1
Total current actions:	8

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 28.02.18

SECTION 3

Action	Owner	Expected Date
Review of Governance Arrangements (February 2017)		
<p>Managing the Integration Joint Board's governance arrangements (Green) The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will;</p> <ul style="list-style-type: none"> • include appropriate coverage of the Local Code of Governance when reporting the current status of the IJB's governance arrangements; • determine the level of detail, format and frequency of reporting to the IJB on the current status of its governance arrangements; and • more formally co-ordinate the timetabling and completion of all outstanding IJB governance arrangements. 	Chief Officer	30.06.18*
<p>Managing IJB members individual training needs in governance matters (Green) The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will;</p> <ul style="list-style-type: none"> • develop adequate and proportionate personal development plans for IJB members which reflect their training needs in governance matters, including refresher training; and • review the online accessibility of all relevant IJB governance documents. 	Chief Officer	30.09.18*
<p>Managing reviews and updates of the Integration Joint Board's (IJB) governance documents (Green) The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will organise a formal two year rolling timetable to review and update all relevant IJB governance documents.</p>	Chief Officer	30.09.18*

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 28.02.18

SECTION 3

Action	Owner	Expected Date
Strategic Planning and Performance Management Arrangements (January 2018)		
<p>Embedding risk management arrangements within the Inverclyde IJB's strategic planning process (Amber) The Inverclyde IJB Chief Officer will direct all relevant officers to:</p> <ul style="list-style-type: none"> • embed risk management within the Inverclyde IJB strategic planning process. In particular this exercise will include preparing and regularly updating a risk register for both the current and subsequent strategic plan. The action plans flowing from the risk registers will concentrate on addressing critical risks which are at least to some extent controllable; and • examine how best to better utilise the knowledge and experience of Strategic Planning Group (SPG) participants when applying risk management to the Inverclyde IJB strategic planning process. 	Head of Strategy & Support Services	30.06.18
<p>Annual review of the IJB's three year strategic plan and managing changes which impact on delivering outcomes (Amber) The Head of Strategy & Support Services will:</p> <ul style="list-style-type: none"> • ensure that the IJB's strategic plan is reviewed each year and during that exercise specify an appropriate role for the Strategic Planning Group and • develop a more formal approach to fully examining the impact of internal and external changes which could impact on successfully implementing the strategic plan. That approach will be directly linked to the arrangements for reviewing the strategic plan each year. 	Head of Strategy & Support Services	30.09.18
<p>The Head of Strategy & Support Services will also:</p> <ul style="list-style-type: none"> • increase the role of the Strategic Planning Group in monitoring implementation of the strategic plan; and • develop the Strategic Planning Group's role in monitoring the process for measuring delivery of outcomes within the strategic plan in order that the Strategic Planning Group can be satisfied those arrangements are supported by robust evidence. 	Head of Strategy & Support Services	31.12.18

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 28.02.18

SECTION 3

Action	Owner	Expected Date
<p>Reporting progress on delivery of Inverclyde IJB's three year strategic plan and managing strategic planning decisions (Green) The Inverclyde IJB Chief Officer will:</p> <ul style="list-style-type: none"> • collectively confirm with members of the Inverclyde IJB that performance reports on the strategic plan broadly meet their requirements as the primary users of such information. This exercise will allow for the extent to which performance reporting is prescribed by legislation and continue to follow relevant Scottish Government guidance; and • ensure, whenever appropriate, that all reports submitted to the Inverclyde IJB are clearly referenced back to the strategic plan in order to demonstrate their relevance to the strategic plan. 	<p>Head of Strategy & Support Services</p>	<p>30.06.18</p>
<p>Ensuring compliance with legal requirements regarding the Strategic Planning Group (Green) The Head of Strategy & Support Services will, in consultation with the IJB Standards Officer, develop an approach to actively manage all outstanding compliance issues regarding the operation of the Strategic Planning Group.</p>	<p>Head of Strategy & Support Services</p>	<p>30.06.18</p>

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Review of Governance Arrangements (February 2017)	<p>Managing the Integration Joint Board's governance arrangements (Green) The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will;</p> <ul style="list-style-type: none"> • include appropriate coverage of the Local Code of Governance when reporting the current status of the IJB's governance arrangements; • determine the level of detail, format and frequency of reporting to the IJB on the current status of its governance arrangements; and • more formally co-ordinate the timetabling and completion of all outstanding IJB governance arrangements. 	28.02.18	30.06.18	<p>The Local Code of Governance framework will be presented for approval to the March meeting of the IJB Audit Committee.</p> <p>The agreed framework will be evaluated as part of the Annual Governance Statement process and will continue to be monitored on an annual basis.</p> <p>Action plans will be developed for any governance issues identified through the evaluation process.</p>
Review of Governance Arrangements (February 2017)	<p>Managing IJB members individual training needs in governance matters (Green) The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will;</p> <ul style="list-style-type: none"> • develop adequate and proportionate personal development plans for IJB members which reflect their training needs in governance matters, including refresher training; and • review the online accessibility of all relevant IJB governance documents. 	28.02.18	30.09.18	<p>Induction training has been carried out for new members. A programme for training in governance matters will be agreed.</p>

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Review of Governance Arrangements (February 2017)	<p>Managing reviews and updates of the Integration Joint Board's (IJB) governance documents (Green)</p> <p>The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will organise a formal two year rolling timetable to review and update all relevant IJB governance documents.</p>	28.02.18	30.09.18	A framework document is being developed which will detail all governance documents together with the current approval date, next review date and responsible officer.

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF ACTION PLAN POINTS BY AUDIT YEAR

SECTION 5

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 28 February 2018.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2016/2017	3	0	0	0	3
2017/2018	5	0	0	3	2
Total	8	0	0	3	5

* This part of the table sets out the total number of current actions not yet due at the date of the follow up report.