
Report To: Inverclyde Integration Joint Board Audit Committee **Date:** 28 January 2020

Report By: Corporate Director (Chief Officer)
Inverclyde Health & Social Care Partnership **Report No:** IJBA/01/2020/AP

Contact Officer: Andi Priestman **Contact No:** 01475 712251

Subject: INTERNAL AUDIT PROGRESS REPORT – 19 AUGUST 2019 TO 3 JANUARY 2020

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 19 August 2019 and 3 January 2020 that may have an impact upon the IJB's control environment.

2.0 SUMMARY

- 2.1 There was one internal audit report finalised since the last Audit Committee meeting in September as follows:-
- IJB Integration Scheme – Update Readiness Review
- 2.2 The 2019/2020 plan is underway. One audit has been finalised and the final audit is at fieldwork stage.
- 2.3 In relation to Internal Audit follow-up, there was one action plan due for completion by 30 November 2019 which has been reported as complete. The current status report is attached at Appendix 1. **Appendix 1**
- 2.4 In addition, since the last Audit Committee meeting in September 2019, a number of Internal Audit Reports have been reported to Inverclyde Council and NHSGGC which are relevant to the IJB Audit Committee. These 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 19 August 2019 and 3 January 2020.

Louise Long
Chief Officer Inverclyde Health & Social Care Partnership

4.0 BACKGROUND

- 4.1 In September 2019, the Audit Committee approved the current Internal Audit Annual Plan which detailed the activity to be undertaken during 2019-20.
- 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 was one internal audit report finalised since the last Audit Committee meeting in September as follows:-
- IJB Integration Scheme – Update Readiness Review

5.0 CURRENT POSITION (CONTINUED)

- 5.2 The Public Bodies (Joint Working) (Scotland) Act 2014 established a legal framework for the integration of defined health and social care services. In turn, Inverclyde Council and NHS Greater Glasgow & Clyde approved an Integration Scheme which set out how the Inverclyde IJB operates. This scheme was also approved by Scottish Ministers and came into force on 27th June 2015. The Integration Scheme covers a variety of subjects including governance arrangements, financial matters and the role of the Chief Officer. IJBs across the local Health Board area are currently undertaking a review of the Integration Scheme and this exercise is due to be completed by July 2020. It is therefore important to actively manage issues which arise from implementing the Integration Scheme.
- 5.3 The objective of this audit was to provide the Inverclyde IJB Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks in relation to the IJB's Integration Scheme.
- 5.4 The review focused on the high level processes and procedures in relation to the IJB's Integration Scheme and concentrated on identified areas of perceived higher risk, such as not fully identifying omissions, duplications or ambiguities within the Integration Scheme and not effectively managing the arrangements to update the current Integration Scheme.
- 5.5 The overall control environment opinion was **Satisfactory**. One AMBER issue was identified as follows:-

Specifying governance arrangements within the Integration Scheme

The governance arrangements for the integration of local health and social care services are contained within the Inverclyde Integration Scheme. It is important that this Scheme is fit for purpose and facilitates the delivery of the IJB's Strategic Plan. We have reviewed the current Integration Scheme and identified that it does not:-

- include criteria for deciding which services should or should not be hosted by IJBs within NHS Greater Glasgow & Clyde;
- require the development and application of service level agreements for hosted services;
- outline key financial management arrangements, such as savings proposals relating to hosted services; and
- specify the need for regular reporting to the IJB of hosted services operational and financial performance.

In addition, we have identified two paragraphs within the Integration Scheme which lack important details as follows:

- within paragraph 4.2, there is no detailed coverage of performance management arrangements and the factors which should initiate the redesign of services; and
- at paragraph 4.3, the minimum number of reports which the Council and Health Board should submit to the IJB in order to adequately discharge their duties has not been specified.

It will be more difficult to maximise the effectiveness and efficiency of hosted services when governance arrangements have not been adequately specified. In addition, hosted services may not fully contribute to the delivery of the IJB's Strategic Plan without a comprehensive governance framework being in place.

5.0 CURRENT POSITION (CONTINUED)

- 5.6 The audit identified 2 issues, one of which we consider to be individually significant and an action plan is in place to address both issues by 31 March 2022.
- 5.7 The 2019/2020 plan is underway. One audit has been finalised and the final audit is at fieldwork stage.
- 5.8 In relation to Internal Audit follow up, there was one item due for completion by 30 November 2019 which has been reported as complete. The current status report is attached at Appendix 1.

5.9 Inverclyde Council – Internal Audit Progress Report Summary

Since the last Audit Committee meeting in September 2019, 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
HR Safe Recruitment Checks (1)	Satisfactory	0	1	4

- 5.10 (1) The review focused on the high level processes and procedures in relation to safe recruitment checks and concentrated on identified areas of perceived higher risk, such as not completely and accurately carrying out safe recruitment checks in a timely manner and not adequately complying with all relevant legislation and regulation.

The overall control environment opinion was **Satisfactory**. There was one AMBER issue identified as follows:-

Monitoring the timeliness of processing of HR safe recruitment checks (Amber)

Preferred candidates participate in safe recruitment checks such as verifying their entitlement to work in the UK and obtaining references. Delays in the recruitment process are minimised when these tasks are monitored and undertaken timeously. However, recruitment tracking records do not capture key dates such as:

- the time taken to issue preferred candidates with offer letters;
- when references are requested; and
- when outstanding fitness to work notifications are pursued from the Occupational Health Nurse.

In addition, whilst necessary, safe recruitment checks can protract the overall recruitment process. Discussions with staff and audit testing have identified that there is scope to change the sequencing of safe recruitment checks and review the roles of staff to ensure there are no unnecessary delays.

The time taken by HR to process safe recruitment checks cannot easily be determined when relevant management information is not readily available. In addition, it may be more difficult for Services to maintain their delivery standards whenever avoidable delays within the safe recruitment process arise.

5.0 CURRENT POSITION (CONTINUED)

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

Blue Badge Enquiries			
Number of Enquiries	Misuse Identified	No misuse	Ongoing
39	33	1	5

5.12 NHSGGC - Internal Audit Progress Report Summary

Since the last Audit Committee meeting in September 2019, 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	Audit Rating	No of issues per grading			
		4	3	2	1
IT Security (1)	Substantial Improvement Required	-	2	5	-
Property Transaction Monitoring	Effective	-	-	-	-
Capacity Planning – Delayed Discharges	Minor Improvement Required	-	-	1	-
Financial Systems Health Check	Effective	-	-	-	1
Grievance Process	Minor Improvement Required	-	1	3	-

5.13 In each audit, one of 4 overall opinions is expressed:-

Immediate, major improvement required (Red)

Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

Critical: fundamental absence or failure of key controls

Substantial improvement required (Amber)

Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.

High: control objective not achieved - controls are inadequate or ineffective

Minor improvement required (Yellow)

A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.

Moderate: Control objective achieved - no major weaknesses but scope for improvement

5.0 CURRENT POSITION (CONTINUED)

Effective (Green)

Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

Low: Control objective achieved - controls are adequate, effective and efficient

Recommendations are graded as follows:-

Ranking	Definition
4	Very high risk exposure - major concerns requiring immediate senior management attention.
3	High risk exposure - absence/failure of key controls.
2	Moderate risk exposure - controls not working effectively and efficiently.
1	Limited risk exposure - controls are working effectively, but could be strengthened.

5.14 The amber rated report can be summarised as follows:-

(1) IT Security – the audit identified that the Board would benefit from revising the design of the leavers process to ensure that leavers are automatically notified to eHealth on a timely basis. Weaknesses in process and documentation for privileged and generic accounts were also noted including the need to improve logging and monitoring of activity. The review also identified external risks to the organisation and recommended that a separate action plan should be put in place to continue to reduce the number of remaining vulnerabilities identified by the malware protection software.

5.15 Internal Audit undertakes follow up work on a quarterly basis to confirm the implementation of recommendations. The results of the follow-up work are reported to the NHSGCC Audit Committee with any matters of concern being drawn to the attention of this Committee.

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					

6.0 IMPLICATIONS (CONTINUED)

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 Has an Equality Impact Assessment been carried out?

	YES
X	NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

How does this report address our Equality Outcomes?

Equalities Outcome	Implications
People, including individuals from the above protected characteristic groups, can access HSCP services.	None
Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.	None
People with protected characteristics feel safe within their communities.	None
People with protected characteristics feel included in the planning and developing of services.	None
HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.	None
Opportunities to support Learning Disability service users experiencing gender based violence are maximised.	None
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

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

6.0 IMPLICATIONS (CONTINUED)

National Wellbeing Outcomes

6.6 How does this report support delivery of the National Wellbeing Outcomes?

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	None
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	None
People who use health and social care services have positive experiences of those services, and have their dignity respected.	None
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	None
Health and social care services contribute to reducing health inequalities.	None
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	None
People using health and social care services are safe from harm.	None
People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	None

7.0 DIRECTIONS

7.1 Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	X
	2. Inverclyde Council	
	3. NHS Greater Glasgow & Clyde (GG&C)	
	4. Inverclyde Council and NHS GG&C	

8.0 CONSULTATIONS

8.1 N/A

9.0 LIST OF BACKGROUND PAPERS

9.1 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 30 NOVEMBER 2019**

Summary: Section 1 Summary of Management Actions due for completion by 30/11/19

There was one item due for completion by 30 November 2019 which has been reported as completed by management.

Section 2 Summary of Current Management Actions Plans at 30/11/19

At 30 November 2019 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 30/11/19

At 30 November 2019 there were 3 current audit action points.

Section 4 Analysis of Missed Deadlines

At 30 November 2019 there were 2 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 30.11.19

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
1	1			

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

Completed actions are as follows:

Report/Agreed Action	Status
IJB Financial Planning Arrangements (February 2019)	
The Inverclyde IJB Standards Officer will develop an appropriate Scheme of Delegation to Officers. The Scheme of Delegation to Officers will include reference to financial planning. Action due date: 30/09/19	The Scheme of Delegation to Officers was approved by the IJB at its meeting on 4 November 2019.

**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 30.11.19

SECTION 2

Current Actions	
Due for completion March 2022	1
Completion date to be advised	2
Total current actions:	3

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

CURRENT MANAGEMENT ACTIONS AS AT 30.11.19

SECTION 3

Action	Owner	Expected Date
IJB Integration Scheme Update – Readiness Review (December 2019)		
<p>Specifying governance arrangements within the Integration Scheme (Amber)</p> <p>The updated Integration Scheme allows for clearer governance arrangements, which addresses the majority of the points raised.</p> <p>In addition, work will take place across GG&C over the next two years to fully review and revise the current Hosted arrangements. The points raised in this audit will be considered as part of that GG&C wide review.</p>	Chief Officer IJB	31.03.2022

* 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
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
IJB Directions (December 2018)	<p>Adequacy of the Integration Joint Board’s Directions Policy (Green) The IJB’s policy on directions will be reviewed and updated by:</p> <ul style="list-style-type: none"> • clearly endorsing the current practice whereby wide-ranging IJB directions are included within regular IJB financial reports in order to authorise the ongoing delivery of HSCP services; • including within each IJB report an “information grid” which shows whether or not IJB directions require to be issued at all or issued to the Council, Health Board or to both of its delivery partners; • amending the template used for IJB directions to include a unique reference number which comprises the IJB meeting date and corresponding report number; • amending the template used for IJB directions to include a “direction status box” to distinguish between updated directions, new directions and the cancellation of existing directions; and • allowing for the preparation of joint directions involving two or more of the IJB’s within NHS Greater Glasgow & Clyde along with outlining the circumstances in which joint IJB directions could become necessary. 	30.04.19	To be advised	<p>The template report has been updated to include a directions box.</p> <p>We are still waiting for the statutory guidance on directions to be issued by the Scottish Government. A revised policy will be implemented once the final Scottish Government guidance is issued.</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
IJB Directions (December 2018)	<p>Adequacy of the Integration Joint Board's Directions Policy (Green)</p> <p>Once the Scottish Government's statutory guidance on IJB directions has been issued the Integration Joint Board's Chief Officer will, in conjunction with the IJB's Standards Officer, examine how best to demonstrate compliance with that guidance whilst retaining those elements of current practice which are operating satisfactorily.</p> <p>The IJB's Chief Officer will seek approval from the Inverclyde IJB to implement a revised policy on managing IJB directions.</p>	30.04.19	To be advised	<p>The template report has been updated to include a directions box.</p> <p>We are still waiting for the statutory guidance on directions to be issued by the Scottish Government. A revised policy will be implemented once the final Scottish Government guidance is issued.</p>

**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 30 November 2019.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2016/2017	3	3	0	0	0
2017/2018	8	8	0	0	0
2018/2019	6	4	0	0	2
2019/2020	2	1	0	1	0
Total	19	16	0	1	2

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