

**PLEASE NOTE DATE AND OF MEETING**

Municipal Buildings, Greenock PA15 1LY

Ref: SL/AI

Date: 17 March 2021

**A meeting of the Inverclyde Integration Joint Board Audit Committee will be held on Monday 29 March 2021 at 12 noon.**

**This meeting is by remote online access only through the videoconferencing facilities which are available to members of the Integration Joint Board Audit Committee and relevant officers. The joining details will be sent to participants prior to the meeting.**

**In the event of connectivity issues, participants are asked to use the *join by phone* number in the Webex invitation.**

**Please note that this meeting will be recorded.**

**Anne Sinclair**  
Interim Head of Legal Services

**BUSINESS**

1. <b>Apologies, Substitutions and Declarations of Interest</b>	<b>Page</b>
2. <b>Minute of Meeting of IJB Audit Committee of 25 January 2021</b>	<b>p</b>
3. <b>IJB Audit Committee Rolling Action List</b>	<b>p</b>
4. <b>IJB Audit Committee Rolling Annual Workplan</b>	<b>p</b>
5. <b>Internal Audit Progress Report – 21 December 2020 - 26 February 2021</b> Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	<b>p</b>
6. <b>Internal Audit – Annual Plan 2021 - 2022</b> Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	<b>p</b>
7. <b>Status of External Audit Actions Plans at 28 February 2021</b> Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	<b>p</b>
8. <b>External Audit – Annual Audit Plan 2020/21</b> Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	<b>p</b>

9.	<b>IJB Best Value Statement 2020/21</b> Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	<b>p</b>
10.	<b>Inverclyde Integration Joint Board – Directions Update March 2021</b> Report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership	<b>p</b>

Please note that because of the current COVID-19 (Coronavirus) emergency, this meeting will not be open to members of the public.

The papers for this meeting are on the Council's website and can be viewed/downloaded at <https://www.inverclyde.gov.uk/meetings/committees/59>

In terms of Section 50A(3A) of the Local Government (Scotland) Act 1973, as introduced by Schedule 6, Paragraph 13 of the Coronavirus (Scotland) Act 2020, it is necessary to exclude the public from this meeting of the Integration Joint Board Audit Committee on public health grounds. It is considered that if members of the public were to be present, this would create a real or substantial risk to public health, specifically relating to infection or contamination by Coronavirus.

Enquiries to - <b>Sharon Lang</b> - Tel 01475 712112
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## INVERCLYDE INTEGRATION JOINT BOARD AUDIT COMMITTEE – 25 JANUARY 2021

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### Inverclyde Integration Joint Board Audit Committee

Monday 25 January 2021 at 1pm

**Present:** Councillors L Rebecchi and E Robertson, Mr A Cowan, Ms P Speirs and Ms G Eardley.

**Chair:** Mr Cowan presided.

**In attendance:** Ms L Long, Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership, Ms L Aird, IJB Chief Financial Officer and Interim Head of Strategy & Support Services, Ms S McAlees, Head of Children's Services and Criminal Justice, Ms A Priestman, Chief Internal Auditor, Ms V Pollock (for Head of Legal & Property Services), Ms S Lang and Ms D Sweeney (Legal & Property Services) and Mr A MacDonald, ICT Services Manager.

The meeting was held by video-conference.

- |          |  |          |
|----------|--|----------|
| <b>1</b> | <b>Apologies, Substitutions and Declarations of Interest</b>   | <b>1</b> |
|          | No apologies for absence or declarations of interest were intimated.   |          |
| <b>2</b> | <b>Minute of Meeting of Inverclyde Integration Joint Board (IJB) Audit Committee of 2 November 2020</b>  | <b>2</b> |
|          | <p>There was submitted the minute of the Inverclyde Integration Joint Board (IJB) Audit Committee of 2 November 2020.</p> <p>(Councillor Robertson entered the meeting during consideration of this item of business)</p> <p>It was noted in relation to the issue of the Best Value questionnaire referred to at paragraph 23 of the minute, that the survey had been prepared and that, once tested, this would be issued to all members of the IJB Audit Committee and the wider IJB within a timescale which would enable the inclusion of responses in the report to the March Committee.</p> <p><b>Decided:</b> that the minute be agreed.</p> |          |
| <b>3</b> | <b>IJB Audit Committee Rolling Action List</b>   | <b>3</b> |
|          | <p>There was submitted a list of rolling actions arising from previous meetings of the IJB Audit Committee.</p> <p><b>Decided:</b></p> <p>(1) that the Rolling Action List be noted;</p> <p>(2) that it be agreed to include the action relative to the Best Value survey referred to above within the Rolling Action List with a timescale of March 2021 and for closure thereafter; and</p> <p>(3) that the action relative to External Audit Action Plans progress be removed from the Rolling Action List.</p>   |          |
| <b>4</b> | <b>IJB Audit Committee Rolling Annual Workplan</b>   | <b>4</b> |
|          | <p>There was submitted a Rolling Annual Workplan for the IJB Audit Committee.</p> <p><b>Decided:</b></p>   |          |

## INVERCLYDE INTEGRATION JOINT BOARD AUDIT COMMITTEE – 25 JANUARY 2021

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- (1) that the Rolling Annual Workplan be noted;
- (2) that the update on the IJB Risk Register be removed from the 22 March 2021 list of reports for submission to the following meeting of the IJB Audit Committee; and
- (3) that the Directions Update be included in the list of reports for the September 2021 meeting of the IJB Audit Committee.

### 5 Internal Audit Progress Report – 31 August to 18 December 2020

5

There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership on the progress made by Internal Audit during the period 31 August to 18 December 2020.

The Chief Internal Auditor presented the report, being the regular progress report, and advised as follows:

- (1) No Audit reports had been finalised since the last report in September 2020. The remaining work related to the provision of advice in respect of risk management which would be undertaken alongside the risk management training organised for 15 March 2021;
- (2) In relation to Internal Audit follow-up work, four actions were due for completion by 30 November 2020. Three of these actions were complete and the completion date in relation to the fourth action (updating the IJB's Reserves Strategy) had been delayed to 30 September 2021 due to an agreed delay in completion of the revised Integration Scheme;
- (3) The Reserves Strategy work was one of two current actions being progressed by officers, the other being the specifying of governance arrangements within the Integration Scheme, with an interim report due on 31 March 2021 and a final report on 31 March 2022;
- (4) Since the September 2020 meeting of the IJB Audit Committee, a number of Internal Audit reports relevant to the IJB Audit Committee had been reported to Inverclyde Council (Monitoring and Minimising Off-Contract Spend and Using the Financial Management System (FMS) to Manage Off-Contract Spend) and to NHS Greater Glasgow & Clyde (Nursing and Midwifery Council Referrals and Digital Strategy). Actions had been agreed with management and Internal Audit within Inverclyde Council and NHS GG&C to undertake follow-up actions in accordance with agreed processes and to report on progress to the respective Audit Committees. Any concerns regarding progress would be reported to the IJB Audit Committee.

During the course of discussion on this item, it was agreed that due to the work still to be undertaken in relation to the completion of the revised Integration Scheme, the September 2021 deadline for updating the IJB's Reserves Strategy was too ambitious.

It was also agreed in relation to the minor improvements required under items reported to NHS Greater Glasgow & Clyde, that it would be useful for members to have sight of the NHS GG&C Audit Committee report and the Corporate Director confirmed that she would contact the Board with a view to including this in the next progress report.

**Decided:** that the progress made by Internal Audit in the period 31 August to 18 December 2020 be noted.

### 6 IJB Reserves

6

There was submitted a report by Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership providing additional information on the nature and purpose of the IJB's Reserves together with an update on the potential impact of COVID-19 and the current year financial position on IJB Reserve balances.

The report advised that as at 31 October 2020, the projected balance on IJB Reserves

## INVERCLYDE INTEGRATION JOINT BOARD AUDIT COMMITTEE – 25 JANUARY 2021

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at the end of the current financial year was expected to be £7.239m (£6.498m Earmarked and £0.741m General Reserves). Inverclyde's Earmarked Reserves were mainly for multi-year projects sub-categorised into (a) Scottish Government Funded Ringfenced Projects, (b) Existing Projects and Commitments, (c) Transformation Project Funding and (d) Budget Smoothing. The Transformation Project Funding included earmarked amounts for support for the Mental Health Service and the Addictions Review, both of which were anticipated to be spent in full over the next 3 years during the period of recovery from the COVID-19 pandemic.

While the financial impacts of COVID-19 were still being quantified, Ms Aird confirmed that she remain confident, based on indications from the Scottish Government, that all HSCP COVID costs would be met in full in 2020/21. It was, however, anticipated that elements of this funding would continue into 2021/22 and as a precautionary measure within Inverclyde, funds were being set aside from in-year underspends resulting from delays in filling vacancies to provide cover through an Earmarked Reserve for any 2021/22 costs relating to temporary COVID response posts appointed in 2021 with costs rolling into 2021/22.

**Decided:**

- (1) that the report be noted; and
- (2) that the report be shared with the wider IJB either as an item on the agenda for the March meeting or as the subject of a development session, possibly in February.

### 7 Status of External Audit Action Plans at 30 November 2020

7

There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership on the status of current actions from External Audit Action Plans at 30 November 2020.

It was reported that one action due for completion by 30 November 2020 (Best Value) had been reported as completed by officers and four current External Audit actions (Financial Plan; Savings Proposals; Integration Scheme Review; Implementation of Locality Planning Groups) were currently being progressed by officers.

In relation to the implementation of Locality Planning Groups, it was noted that the arrangements put in place for the Port Glasgow Locality Planning Group had been stepped back as a result of the COVID-19 second wave although communication with the localities was continuing.

**Decided:** that the progress to date in relation to the implementation of External Audit actions be noted.

### 8 External Audit – Proposed Audit Fee 2020/21

8

There was submitted a report by the Corporate Director (Chief Officer), Inverclyde Health & Social Care Partnership advising of Audit Scotland's proposed External Audit fee for 2020/21 of £27,330.

**Decided:** that approval be given to the proposed audit fee for 2020/21.

### 9 Ms Lesley Aird

9

Prior to the conclusion of the meeting, reference was made to the appointment of Ms Lesley Aird, IJB Chief Financial Officer to a promoted post within Finance Services at Greater Glasgow & Clyde Health Board with effect from mid-April 2021. On behalf of the Committee, the Chair thanked Ms Aird for her contribution to the work of the IJB Audit Committee and expressed his best wishes to her in her new post.

**INVERCLYDE INTEGRATION JOINT BOARD AUDIT COMMITTEE**

**ROLLING ACTION LIST**

<b>Meeting Date and Minute Reference</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Timescale</b>	<b>Progress/Update/Outcome</b>	<b>Status</b>
17 March 2020 and 21 September 2020 (Para 14(2))	Development Session on Risk Management	Chief Officer	January 2021	Programme Developed – CIPFA Virtual Session 15 March 2021	Open may be impacted on by COVID
2 November 2020 (Para 23(2))	Best Value Questionnaire	IJB Chief Financial Officer	March 2021	On agenda	
25 January 2021 (Para 6(2))	IJB Reserves Report – Either to March IJB or as Development Session	IJB Chief Financial Officer	February/March 2021	In monitoring report	Open

**DRAFT****IJB Audit Committee Rolling Annual Workplan**

<b>Date</b>	<b>Reports</b>	<b>Lead Officer</b>
22 March 2021	Internal Audit Progress Report to 26 February 2021  Internal Audit Annual Audit Plan 2021/22  External Audit Annual Audit Plan 2020/21  Directions Update (also to September 2021)  Best Value Annual Report	Chief Internal Auditor  Chief Internal Auditor  External Audit  Legal Services Manager (Procurement, Conveyancing & Information Governance)  Chief Financial Officer
September 2021	External Audit Action Plan Progress  Internal Audit Annual Report and Assurance Statement 2020/21  Update on IJB Risk Register (or to next meeting after March if arranged for earlier than September)  Directions Update	Chief Internal Auditor  Chief Internal Auditor  Chief Officer/Chief Financial Officer  Legal Services Manager (Procurement, Conveyancing & Information Governance)
November 2021	External Audit Report and IJB Annual Accounts  Internal Audit Progress Report	External Audit  Chief Internal Auditor

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**Report To:** Inverclyde Integration Joint Board Audit Committee      **Date:** 29 March 2021

**Report By:** Corporate Director (Chief Officer)  
Inverclyde Health & Social Care Partnership      **Report No:** IJBA/04/2021/AP

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

**Subject: INTERNAL AUDIT PROGRESS REPORT – 21 DECEMBER 2020 TO 26 FEBRUARY 2021**

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## **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 21 December 2020 and 26 February 2021 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.
- 2.2 The plan for 2020/2021 is underway.
- 2.3 In relation to Internal Audit follow up, there were no actions due for completion by 28 February 2021. There are 2 actions being progressed by officers. The current status report is attached at Appendix 1. **Appendix 1**
- 2.4 In addition, since the last Audit Committee meeting in January 2021, there have been no Internal Audit Reports reported to Inverclyde Council and NHSGGC.
- 2.5 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 December 2020 to 26 February 2021.

**Louise Long**  
**Chief Officer Inverclyde Health & Social Care Partnership**

## 4.0 BACKGROUND

- 4.1 In March 2020, the Audit Committee approved the current Internal Audit Annual Plan which detailed the activity to be undertaken during 2020-21.
- 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:

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

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

<b>Red</b>	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.
<b>Amber</b>	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.
<b>Green</b>	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 September.
- 5.2 The plan for 2020/2021 is underway.
- 5.3 In relation to Internal Audit follow up, there were no actions due for completion by 28 February 2021. The current status report is attached at Appendix 1.

## 5.0 CURRENT POSITION (CONTINUED)

### 5.4 Inverclyde Council – Internal Audit Progress Report Summary

Since the last Audit Committee meeting in January 2021 there were no Internal Audit Reports reported to Inverclyde Council.

5.5 Internal Audit undertakes follow up work on a monthly basis to confirm the implementation of agreed actions. A specific audit follow up report is provided to each meeting of the Council's Audit Committee to allow appropriate scrutiny of action plan implementation.

### 5.6 NHSGGC - Internal Audit Progress Report Summary

Since the last Audit Committee meeting in January 2021, there were no Internal Audit Reports reported to NHSGGC.

5.7 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					

### 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.

## 6.0 IMPLICATIONS (CONTINUED)

### 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.

### 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  <b>Direction Required to Council, Health Board or Both</b>	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 28 FEBRUARY 2021**

**Summary: Section 1 Summary of Management Actions due for completion by 28/02/2021**

There were no actions due for completion by 28 February 2021.

**Section 2 Summary of Current Management Actions Plans at 28/02/2021**

At 28 February 2021 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 28/02/2021**

At 28 February 2021 there were 2 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 28 February 2021 there was one audit action point 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 28.02.2021**

**SECTION 1**

<b>No. of Actions Due</b>	<b>No. of Actions Completed</b>	<b>Deadline missed Revised date set*</b>	<b>Deadline missed Revised date to be set*</b>	<b>No action proposed</b>
0				

\* 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 28.02.2021**

**SECTION 2**

<b>Current Actions</b>	
Due for completion September 2021	1
Due for completion March 2022	1
<b>Total current actions:</b>	<b>2</b>



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

**CURRENT MANAGEMENT ACTIONS AS AT 28.02.2021**

**SECTION 3**

Action	Owner	Expected Date
<b>IJB Integration Scheme Update – Readiness Review (December 2019)</b>		
<p><b>Specifying governance arrangements within the Integration Scheme (Amber)</b> 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&amp;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&amp;C wide review.</p>	Chief Officer IJB	31.03.2022  (Interim report due 31.03.2021)
<b>Budgetary Control (March 2020)</b>		
<p><b>Updating the Inverclyde Integration Joint Board’s (IJB) reserves strategy (Green)</b> The IJB’s Chief Financial Officer will update the IJB’s reserves strategy to fully:</p> <ul style="list-style-type: none"> <li>• reflect the terminology used within the IJB’s annual accounts regarding reserves; and</li> <li>• allow for the revised Integration Scheme.</li> </ul>	Chief Financial Officer	30.09.2021*

\* 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
<b>Budgetary Control (March 2020)</b>	<p><b>Updating the Inverclyde Integration Joint Board's (IJB) reserves strategy (Green)</b></p> <p>The IJB's Chief Financial Officer will update the IJB's reserves strategy to fully:</p> <ul style="list-style-type: none"> <li>• reflect the terminology used within the IJB's annual accounts regarding reserves; and</li> <li>• allow for the revised Integration Scheme.</li> </ul>	30.09.20	30.09.21	Postponed due to delay in revised Integration Scheme being agreed.

**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 2021.

<b>Audit Year</b>	<b>Total Agreed Actions</b>	<b>Total Actions Completed</b>	<b>Total Current Actions Not Yet Due*</b>		
			<b>Red</b>	<b>Amber</b>	<b>Green</b>
2016/2017	3	3	0	0	0
2017/2018	8	8	0	0	0
2018/2019	6	5	0	1	0
2019/2020	6	5	0	0	1
2020/2021	2	2	0	0	0
<b>Total</b>	<b>25</b>	<b>23</b>	<b>0</b>	<b>1</b>	<b>1</b>

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

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**Report To:** Inverclyde Integration Joint Board Audit Committee      **Date:** 29 March 2021

**Report By:** Louise Long  
Corporate Director (Chief Officer)  
Inverclyde Health & Social Care Partnership      **Report No:** IJBA/05/2021/AP

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

**Subject:** INTERNAL AUDIT - ANNUAL PLAN 2021-2022

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to present the Internal Audit Annual Strategy and Plan for 2021-2022 for approval.

## **2.0 SUMMARY**

- 2.1 The Public Sector Internal Audit Standards include the requirement for the Chief Internal Auditor to prepare a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
- 2.2 The Chief Internal Auditor will prepare an annual internal audit plan which will be subject to consideration and approval by the IJB Audit Committee.
- 2.3 Internal Audit follows a risk-based approach and it is intended that audit work will be focused on areas of greater risk taking into account management's own view of risk, previous audit findings and any other internal or external factors affecting the Inverclyde Integration Joint Board.
- 2.4 The proposed Internal Audit Annual Strategy and Plan for 2021-2022 is set out at Appendix 1.
- 2.5 The total budget for the Internal Audit Annual Plan for 2021-2022 has been set at 40 days. The Plan does not contain any contingency provision. Where there are any unforeseen work demands that arise e.g. special investigations or provision of ad hoc advice, this will require to be commissioned as an additional piece of work which will be subject to a separate agreement.
- 2.6 The Public Sector Internal Audit Standards require that the annual audit plan should be kept under review to reflect any changing priorities and emerging risks. Any material changes to the audit plan will be presented to the IJB Audit Committee for approval.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Inverclyde IJB Audit Committee approves the Internal Audit Annual Plan for 2021-2022.

**Louise Long  
Chief Officer  
Inverclyde Integration Joint Board**

## 4.0 BACKGROUND

- 4.1 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising governance, risk management and control by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 4.2 As stated in the IRAG (Integrated Resources Advisory Group) Guidance, it is the responsibility of the IJB to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources.
- 4.3 The Public Sector Internal Audit Standards include the requirement for the Chief Internal Auditor to prepare a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
- 4.4 The Chief Internal Auditor will prepare an annual internal audit plan which will be subject to consideration and approval by the IJB Audit Committee.

## 5.0 CURRENT POSITION

- 5.1 Internal Audit follows a risk-based approach and it is intended that audit work will be focused on areas of greater risk taking into account management's own view of risk, previous audit findings and any other internal or external factors affecting the Inverclyde Integration Joint Board.
- 5.2 The proposed Internal Audit Annual Strategy and Plan for 2021-2022 is set out at Appendix 1.
- 5.3 The total budget for the Internal Audit Annual Plan for 2021-2022 has been set at 40 days. The Plan does not contain any contingency provision. Where there are any unforeseen work demands that arise e.g. special investigations or provision of ad hoc advice, this will require to be commissioned as an additional piece of work which will be subject to a separate agreement.
- 5.4 The Public Sector Internal Audit Standards require that the annual audit plan should be kept under review to reflect any changing priorities and emerging risks. Any material changes to the audit plan will be presented to the IJB Audit Committee for approval.

## 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 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.

## 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  <b>Direction Required to Council, Health Board or Both</b>	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 The IJB's Chief Officer and Chief Financial Officer have been consulted in relation to the proposed annual audit plan coverage for 2021-2022.
- 8.2 There will be regular ongoing discussion with External Audit to ensure respective audit plans are reviewed as circumstances change in order to minimise duplication of effort and maximise audit coverage for the Inverclyde IJB.



## **9.0 LIST OF BACKGROUND PAPERS**

9.1 None.

## INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2021-2022

### 1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) set out the requirement for the Chief Internal Auditor to prepare a risk-based audit plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
- 1.2 The Chief Internal Auditor must review and adjust the plan as necessary in response to changes in the organisation's business, risks, operations and priorities.
- 1.3 The audit plan must incorporate or be linked to a strategic or high-level statement of how the Internal Audit Service will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisational objectives and priorities.
- 1.4 The strategy shall be reviewed on an annual basis as part of the audit planning process.

### 2. Internal Audit Objectives

- 2.1 The definition of internal auditing is contained within the PSIAS as follows:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”
- 2.2 The primary aim of the internal audit service is to provide assurance services which requires the Chief Internal Auditor to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.
- 2.3 The internal audit service also provides advisory services, generally at the request of the organisation, with the aim of improving governance, risk management and control and contributing to the overall opinion.
- 2.4 The internal audit service supports the Inverclyde IJB's Chief Financial Officer in her role as Section 95 Officer.

### 3. Risk Assessment and Audit Planning

- 3.1 The internal audit approach to annual audit planning is risk-based and aligns with the IJB's Corporate Risk Register.
- 3.2 There will be regular ongoing discussion with External Audit to ensure respective audit plans are reviewed as circumstances change in order to minimise duplication of effort and maximise audit coverage for the Inverclyde IJB.

**INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2021-2022****4 Service Delivery**

- 4.1 The provision of the internal audit service is through a directly employed in-house team.
- 4.2 In relation to the total staff days allocated to the 2021-2022 plan, each member of staff completes a resource allocation spreadsheet for the year which is split between annual leave, public holidays, training days, general administration and operational plan days. This spreadsheet is reviewed and updated each period by each member of staff against time charged to timesheets.

The operational plan is 40 days which will be resourced as follows:

Team Member

Audit Practitioner – 35

The Chief Internal Auditor does not directly carry out the assignments included in the annual audit plan but provides the quality review and delivery oversight of the overall plan as well as undertaking audit planning and relevant reporting to the Audit Committee. As such, an allocation of 5 days is included within the plan. Where there are any resource issues which may impact on delivery of the plan, this will be reported to Audit Committee at the earliest opportunity.

- 4.3 Given the range and complexity of areas to be reviewed it is important that suitable, qualified, experienced and trained individuals are appointed to internal audit positions. The PSIAS requires that the Chief Internal Auditor must hold a professional qualification such as CMIIA (Chartered Internal Auditor), CCAB or equivalent and be suitably experienced. The internal auditor posts must also be CMIIA/CCAB or equivalent with previous audit experience.
- 4.4 Internal audit staff members identify training needs as part of an appraisal process and are encouraged to undertake appropriate training, including in-house courses and external seminars as relevant to support their development. All training undertaken is recorded in personal training records for CPD purposes.
- 4.5 Internal audit staff members require to conform to the Code of Ethics of the professional body of which they are members and to the Code of Ethics included within the PSIAS. An annual declaration is undertaken by staff in relation to specific aspects of the Code.
- 4.6 Following each review, audit reports are issued in draft format to agree the accuracy of findings and agree risk mitigations. Copies of final audit reports are issued to the IJB Chief Officer, HSCP Head of Service and HSCP Service Manager responsible for implementing the agreed action plan. A copy of each final audit report is also provided to External Audit.
- 4.7 The overall opinion of each audit report feeds into the Internal Audit Annual Report and Assurance Statement which is presented to the Audit Committee and is used by the Chief Financial Officer in the preparation of the Annual Governance Statement.

## INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2021-2022

## 5 Proposed Audit Coverage 2021-2022

5.1 The proposed audit coverage is set out in the table below.

Risk Register Reference	Previous Assurance Work	Planned Assurance Work 2021-22
IJB Risk 1 – Effective Governance I 4 L 2 Risk Score 8	16/17 – Review of Governance Arrangements	Performance management and reporting is a key aspect of corporate governance. Internal audit will review the adequacy and effectiveness of the performance management and reporting arrangements.
IJB Risk 2 – Maintaining Effective Communication and Relationships with Acute Partners During Transformational Change I 3 L 3 Risk Score 9	IC Operational Audit Plan: 18/19 – HSCP Contract and Commissioning arrangements 18/19 - Change Management Arrangements	None
IJB Risk 3 – Financial Sustainability/ Constraints/Resource Allocation I 4 L 3 Risk Score 12	17/18 - Strategic Planning and Performance Management Arrangements 18/19 – Financial Planning 19/20 Budgetary Control	None
IJB Risk 4 – Workforce Sustainability and Implementation of People Plan I 4 L 3 Risk Score 12	17/18 – Workforce Planning Arrangements	None
IJB Risk 5 – Performance Management Information I 3 L 3 Risk Score 9	17/18 – Strategic Planning and Performance Management Arrangements 18/19 – IJB Directions 20/21 – Advisory review on new IJB Directions Policy	The updated IJB Directions policy and guidance was approved by the IJB at its meeting in September 2020. Internal Audit will review the adequacy and effectiveness of arrangements in place to implement the new policy and procedures.
IJB Risk 6 – Locality Planning to Better Understand the Needs of the Community I 3 L 2 Risk Score 6	17/18 - Strategic Planning and Performance Management Arrangements	None

## INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2021-2022

<b>Other Work</b>	
Action Plan Follow Up	To monitor the progress of implementation of agreed internal audit action plans by management.
Audit Planning and Management	Review and update of the audit universe and attendance at IJB Audit Committee.
Internal Audit Annual Report 2020-2021	Annual report on 2020-2021 audit activity will be provided to CFO to inform the Annual Governance Statement for the IJB.
Risk Management Process	A review of the risk management process was planned to be undertaken at a development session in March 2021. Internal Audit will provide advice to IJB Members based on best practice developments.
<b>Total Staff Days</b>	
	<b>40</b>

## INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2021-2022

### 6 Quality and Performance

- 6.1 The PSIAS require each internal audit service to maintain an ongoing quality assurance and improvement programme based on an annual self-assessment against the Standards, supplemented at least every five years by a full independent external assessment.
- 6.2 In addition, the performance of Internal Audit continues to be measured against key service targets focussing on quality, efficiency and effectiveness. For 2021-2022 these have been set as follows:

Measure	Description	Target
1. Final Report	Percentage of final reports issued within 2 weeks of draft report.	100%
2. Draft Report	Percentage of draft reports issued within 3 weeks of completion of fieldwork.	100%
3. Audit Plan Delivery	Percentage of audits completed v planned.	100%
4. Audit Budget	Percentage of audits completed within budgeted days.	100%
5. Audit Recommendations	Percentage of audit recommendations agreed.	90%
6. Action Plan Follow Up	Percentage of action plans followed up – Internal and External Audit.	100%
7. Customer Feedback	Percentage of respondents who rated the overall quality of internal audit as satisfactory or above.	100%
8. Staff compliance with CPD	Number of training hours undertaken to support CPD	20
9. Management engagement	Number of meetings with Chief Officer and Chief Financial Officer as appropriate	2 per year

- 6.3 Actual performance against targets will be included in the Internal Audit Annual Assurance Report for 2021-2022.

---

**Report To:** Inverclyde Integration Joint Board Audit Committee      **Date:** 29 March 2021

**Report By:** Corporate Director (Chief Officer)  
Inverclyde Health & Social Care Partnership      **Report No:** IJBA/06/2021/AP

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

**Subject: STATUS OF EXTERNAL AUDIT ACTION PLANS AT 28 FEBRUARY 2021**

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## **1.0 PURPOSE**

1.1 The purpose of this report is to advise IJB Audit Committee members of the status of current actions from External Audit Action Plans at 28 February 2021.

## **2.0 SUMMARY**

2.1 The Chief Internal Auditor co-ordinates follow up reporting on current actions arising from External Audit Action Plans on a monthly basis with regular reporting to the Audit Committee.

2.2 There were no actions due for completion by 28 February 2021.

2.3 There are 4 current external audit actions being progressed by officers. The current status report is attached at Appendix 1. **Appendix 1**

## **3.0 RECOMMENDATIONS**

3.1 It is recommended that IJB Audit Committee members note the progress to date in relation to the implementation of external audit actions.

**Louise Long**  
**Chief Officer Inverclyde Health & Social Care Partnership**

## 4.0 BACKGROUND

- 4.1 External Audit regularly report findings and action plans to relevant IJB Officers and the Audit Committee as part of their annual audit plan.
- 4.2 A follow up process is in place to allow follow up of current external audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to the Audit Committee.

## 5.0 CURRENT POSITION

- 5.1 There were no actions due for completion by 28 February 2021.
- 5.2 There are 4 current external audit actions being progressed by officers. The current status report is attached at Appendix 1.

**Appendix  
1**

## 6.0 IMPLICATIONS

### Finance

- 6.1 The work required to carry out audit follow up 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 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.



## 6.0 IMPLICATIONS (CONTINUED)

How does this report address our Equality Outcomes?

<b>Equalities Outcome</b>	<b>Implications</b>
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.

### **National Wellbeing Outcomes**

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

<b>National Wellbeing Outcome</b>	<b>Implications</b>
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	<b>Direction Required to Council, Health Board or Both</b>	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 External Audit Reports. Copies available from Chief Internal Auditor.

**INVERCLYDE INTEGRATION JOINT BOARD  
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON  
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS  
AT 28 FEBRUARY 2021**

**Summary: Section 1 Summary of Management Actions due for completion by 28/02/2021**

There were no actions due for completion by 28 February 2021.

**Section 2 Summary of Current Management Actions Plans at 28/02/2021**

At 28 February 2021 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 28/02/2021**

At 28 February 2021 there were 4 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 28 February 2021 there was one audit action point where the agreed deadline has been missed.

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

**SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 28.02.2021**

**SECTION 1**

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

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

In addition, for one action with an expected completion date of 31 March 2021, the completion date has now been revised as follows:

Agreed Action	Responsibility	Expected Date	Status Update
<b>Implementation of Locality Planning Groups</b> This work has inevitably been delayed by Covid-19. However, work is restarting on this now. An initial virtual pilot meeting is due to take place soon for the Port Glasgow Locality Group.	<b>Head of Strategy and Support Services</b>	<b>31.03.2021</b>	Covid and then changes in the management team within the HSCP have delayed the implementation of this work. A new Planning & Performance Manager post has been created which will initially be filled on a 1 day a week basis from April 2021. This post will lead on locality planning group work.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

**SUMMARY OF CURRENT MANAGEMENT ACTIONS AS AT 28.02.2021**

**SECTION 2**

**CURRENT ACTIONS**

<b>Month</b>	<b>No of actions</b>
Due for completion March 2021	2
Due for completion March 2022	1
Completion date to be advised	1
<b>Total Actions</b>	<b>4</b>

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

**CURRENT MANAGEMENT ACTIONS AS AT 28.02.2021**

**SECTION 3**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>2019/2020 Annual Audit Report (October 2020)</b>		
<p><b>Financial Plan</b> The medium-term financial plan is reviewed annually as part of the annual budget process. Management will ensure that the financial plan is updated to account for the significant impact of Covid-19 on financial sustainability.</p>	<b>Chief Financial Officer</b>	<b>31.03.2021</b>
<p><b>Savings Proposals</b> Work is already underway to develop savings proposals based on estimated funding positions. In line with previous years this will be firmed up once Scottish Government public sector budgets are confirmed in December and will go to the IJB for consideration and approval between Feb and March 2021.</p>	<b>Chief Financial Officer</b>	<b>31.03.2021</b>
<p><b>Integration Scheme Review</b> The IJB will work with the other GG&amp;C IJBs around the timing of this. Current legislative issue being resolved by Scottish Government. Once this is resolved it is anticipated that the 6 IJBs with their Council and Health Board Partners will be able to approve and submit the updated Integration Schemes to Scottish Government.</p>	<b>Chief Officer</b>	<b>Within 3 months of Scottish Government resolving existing legislative issue</b>
<p><b>Implementation of Locality Planning Groups</b> This work has inevitably been delayed by Covid-19. However, work is restarting on this now. An initial virtual pilot meeting took place in Port Glasgow Locality Group in November and the Community/ Engagement Groups have been restarted</p>	<b>Planning and Performance Manager (HSCP)</b>	<b>31.03.2022*</b>

\* See analysis of missed deadlines – Section 4

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

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>2019/2020 Annual Audit Report (October 2020)</b>	<p><b>Implementation of Locality Planning Groups</b> This work has inevitably been delayed by Covid-19. However, work is restarting on this now. An initial virtual pilot meeting is due to take place soon for the Port Glasgow Locality Group.</p>	<b>30.03.21</b>	<b>30.03.22</b>	Covid and then changes in the management team within the HSCP have delayed the implementation of this work. A new Planning & Performance Manager post has been created which will initially be filled on a 1 day a week basis from April 2021. This post will lead on locality planning group work.

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<b>Report To:</b>	<b>Inverclyde Integration Joint Board Audit Committee</b>	<b>Date:</b> 29 March 2021
<b>Report By:</b>	<b>Louise Long, Corporate Director (Chief Officer) Inverclyde Health &amp; Social Care Partnership</b>	<b>Report No:</b> IJBA/08/2021/LA
<b>Contact Officer:</b>	<b>Lesley Aird</b>	<b>Contact No:</b> 01475 715381
<b>Subject:</b>	<b>EXTERNAL AUDIT – ANNUAL AUDIT PLAN 2020/21</b>	

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to present the External Audit Plan for 2020/21, produced by Audit Scotland.

## **2.0 SUMMARY**

- 2.1 Appendix 1 contains the Annual Audit Plan 2020/21 for the IJB prepared by the IJB's External Auditors, Audit Scotland.
- 2.2 Representatives from Audit Scotland will be in attendance at the meeting in order to present the Plan and answer any questions.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the IJB Audit Committee notes the Annual Audit Plan 2020/21.

**Louise Long**  
**Chief Officer**

**Lesley Aird**  
**Chief Financial Officer**



#### 4.0 BACKGROUND

- 4.1 The IJB's External Auditors, Audit Scotland, have submitted their plan for the audit of the 2020/21 annual accounts. This plan is attached at Appendix 1.
- 4.2 A representative from Audit Scotland will be in attendance at the meeting in order to present the Plan and answer any questions.

#### 5.0 DIRECTIONS

5.1

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

#### 6.0 IMPLICATIONS

##### 6.1 FINANCE

There are no financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A					

#### LEGAL

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

#### HUMAN RESOURCES

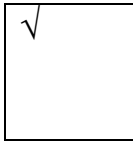
- 6.3 There are no specific human resources implications arising from this report.

#### EQUALITIES

- 6.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

YES (see attached appendix)



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.

#### 6.5 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

<b>Equalities Outcome</b>	<b>Implications</b>
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

#### 6.6 CLINICAL OR CARE GOVERNANCE IMPLICATIONS

There are no governance issues within this report.

#### 6.7 NATIONAL WELLBEING OUTCOMES

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

<b>National Wellbeing Outcome</b>	<b>Implications</b>
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 CONSULTATION**

- 7.1 The draft plan was circulated by Audit Scotland to the Chief Financial Officer for comment and feedback and shared with the Chief Officer.

## **8.0 BACKGROUND PAPERS**

- 8.1 None.

# Inverclyde Integration Joint Board

Annual Audit Plan 2020/21



 AUDIT SCOTLAND

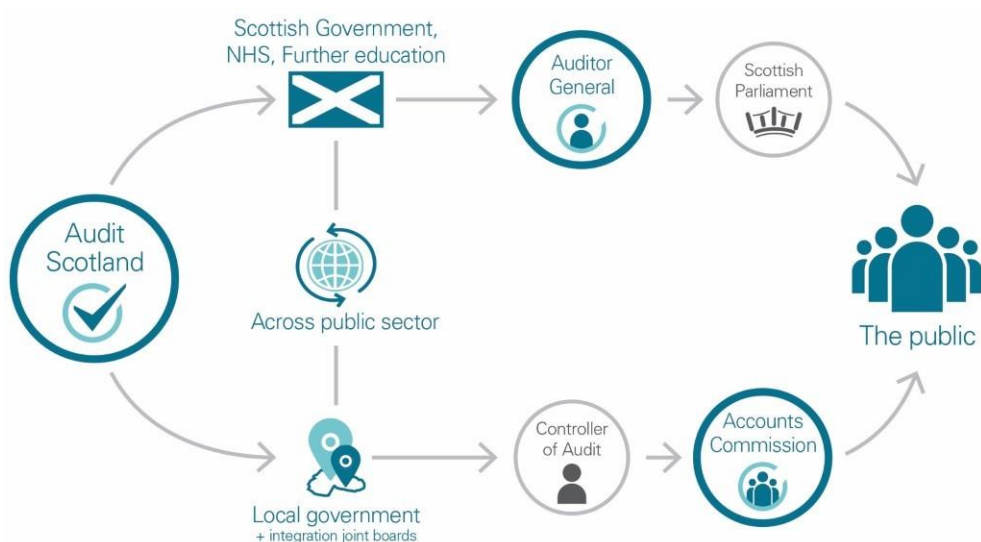
Prepared for Inverclyde Integration Joint Board

March 2021

## 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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# Risks and planned work

- 1.** This annual audit plan contains an overview of the planned scope and timing of our audit which is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and guidance on planning the audit. This plan sets out the work necessary to allow us to provide an independent auditor's report on the annual accounts and meet the wider scope requirements of public sector audit.
- 2.** The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.
- 3.** The public health crisis caused by the coronavirus disease 2019 (COVID-19) pandemic has had a significant and profound effect on every aspect of Scottish society. Public services have been drastically affected, requiring immediate changes to the way they are provided. The impact on public finances has been unprecedented, which has necessitated both the Scottish and UK governments providing substantial additional funding for public services as well as support for individuals, businesses and the economy. It is likely that further financial measures will be needed and that the effects will be felt well into the future.
- 4.** Public audit has an important contribution to the recovery and renewal of public services. The Auditor General, the Accounts Commission and Audit Scotland are responding to the risks to public services and finances from COVID-19 across the full range of audit work including annual audits and the programme of performance audits. The well-being of audit teams and the delivery of high-quality audits remain paramount. Maintaining a pragmatic and flexible approach will enable change at short notice as new issues emerge, or current risks change in significance. Where this impacts on annual audits, an addendum to this annual audit plan may be necessary.

## Adding value


- 5.** We aim to add value to the Inverclyde Integration Joint Board (the IJB) through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help the Inverclyde Integration Joint Board promote improved standards of governance, better management and decision making and more effective use of resources.

## Audit risks

- 6.** Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following significant risks for the IJB. We have categorised these risks into financial statements risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

## Exhibit 1

### 2020/21 Significant audit risks

 Audit Risk	Source of assurance	Planned audit work
<b>Financial statements risks</b>		
<p><b>1 Risk of material misstatement due to fraud caused by the management override of controls</b></p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> <li>• Agreement of balances and transactions to Inverclyde Council and NHS Greater Glasgow &amp; Clyde financial reports / ledger / correspondence.</li> <li>• Service auditor assurances will be obtained from the auditors of Inverclyde Council and NHS Greater Glasgow &amp; Clyde. These may be affected by audit timetables, which are yet to be agreed with the partners.</li> <li>• Review of year-end adjustments and journals.</li> <li>• On-going review of financial position.</li> </ul>
<b>Wider dimension risks</b>		
<p><b>2 Financial sustainability</b></p> <p><b>Medium-Term Financial Planning</b></p> <p>Audit Scotland's Local Government in Scotland Financial Overview 2019/20 has highlighted that the impacts of COVID-19 could be significant and that medium-term financial plans will need to be revised to reflect this. The medium-term financial plan agreed by the IJB in March 2020 will require revision to account for the scale of the financial challenge posed by Covid-19.</p> <p>In addition, the IJB has not identified all anticipated savings in the medium to long-term. The IJB budget setting process will require to consider and look to address any anticipated funding gaps.</p> <p>There is a risk that financial plans do not take account of the significant impact of Covid-19 on financial sustainability and that the IJB does not generate the savings required to ensure services provided are financially sustainable.</p>	<ul style="list-style-type: none"> <li>• The IJB has a number of dedicated smoothing reserves to mitigate in year risk around more unpredictable budget areas.</li> <li>• The 21/22 IJB budget will go to IJB for approval 29 March.</li> <li>• The IJB budget setting process considers and looks to address any anticipated funding gaps.</li> <li>• The 21/22 budget includes an updated 5-year financial plan to manage longer term financial risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the updated medium-term financial strategy.</li> <li>• Consider the robustness of future savings plans.</li> <li>• Establish the funding and cost impacts of COVID-19 on 2020/21 outturn.</li> <li>• Consider the 2021/22 revenue budget and plans to address any funding gap.</li> <li>• Monitor the IJB's achievement of planned transformation and cost saving projects.</li> </ul>



### 3 Financial management

#### Impact of Covid-19

The IJB set a balanced budget for 2020/21 but is currently projecting an overspend of £0.7m. The delivery of planned savings has been impacted by the disruption to operations caused by COVID-19.

There is a risk that areas of recurrent overspend are masked by additional funding received in response to the pandemic.

- Covid costs and income have been separately recorded, monitored and reported throughout 2020/21 to Scottish Govt and through the IJB monitoring reports.
- In terms of in year financial monitoring, IJB papers and minutes for the January and March meetings provide evidence of the additional measures in place to ensure the IJB is presented with and considers the most up to date financial information available.
- Establish the funding and cost impacts of COVID-19 on 2020/21 outturn.
- Consider areas of overspend in 2020/21 to identify the underlying reasons and management actions to address these.
- Review financial monitoring reports.

---

### 4 Governance and transparency

#### Changes to Key Officers

The current Chief Financial Officer (CFO) is leaving the IJB in April 2021. A revised senior management team structure within the HSCP has created a new Head of Finance, Planning & Resources post who will also be the new IJB CFO.

There is a risk surrounding financial capacity in relation to the preparation of the IJB's financial statements.

On 2 March the IJB approved an amended Management Structure to replace the outgoing CFO. Recruitment is underway and interim arrangements are being agreed to cover until the permanent postholder is in place.

The existing CFO has already created the 20/21 annual accounts audit/working files and has updated the management commentary. Council finance staff will:

- Continue to monitor progress made with recruitment for the vacancy.
- Assess the financial information provided when the interim/new CFO is in post.
- collate the final figures and finalise the working files
- populate the annual accounts and
- update the management commentary once the yearend figures are available. The Interim CFO will review the draft accounts and working files and present them to the June IJB.

**7.** As set out in ISA(UK) 240, there is a presumed risk of fraud in revenue recognition. There is a risk that income may be misstated resulting in a material misstatement in the financial statements. In line with Practice Note 10, as most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. We have rebutted these presumed risks in 2020/21 for Inverclyde Integration Joint Board. In practice, the opportunity and incentive to manipulate income in the public sector is much lower than in the private sector and the IJB relies on its partner organisations systems to authorise, process and record transactions. The IJB does not have any assets, nor does it directly incur expenditure, make cash transactions, or employ staff (other than appointing the Chief Officer and Chief Financial Officer). All funding and expenditure for the IJB is incurred by partner bodies and processed in their accounts. Satisfactory arrangements are in place in partner bodies to identify this income and expenditure and report this to the IJB.

## Reporting arrangements

**8.** Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

**9.** Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft reports will be issued to the relevant officer(s) to confirm factual accuracy.

**10.** We will provide an independent auditor's report to Inverclyde Integration Joint Board, and Accounts Commission setting out our opinions on the annual accounts. We will provide the Chief Officer and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

**11.** The management of the unique and continuing challenges presented by COVID-19 means that we need to continue to take into consideration that audits are taking longer, and we are starting the current year's audit later. This has an impact on the proposed reporting timescales, based on resources available and prioritisation decisions. This is reflected in the timetables below, which we will endeavour to meet, whilst recognising that greater uncertainty exists during the COVID-19 pandemic.

## Exhibit 2 2020/21 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Plan	29 March 2021	29 March 2021
Independent Auditor's Report	30 November 2021	TBC
Annual Audit Report	30 November 2021	TBC

Source: Audit Scotland

## Audit fee

**12.** The agreed audit fee for the 2020/21 audit of the IJB is £27,330 (£26,560 2019/20). In determining the audit fee, we have taken account of the audit risks identified, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts, with a complete working papers package on 30 June 2021.

**13.** Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

## **Responsibilities**

### **Integration Joint Board and Chief Financial Officer**

**14.** Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

**15.** The audit of the annual accounts does not relieve management or the Integration Joint Board, as those charged with governance, of their responsibilities.

### **Appointed auditor**

**16.** Our responsibilities as independent auditors are established by the 1973 Act for local government, and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

**17.** Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the audited body to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

# Audit scope and timing

## Annual accounts

**18.** The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of the IJB and the associated risks which could impact on the financial statements
- assessing the key systems of internal control at the IJB and its partner bodies, and establishing how weaknesses in these systems could impact on the IJB's financial statements
- identifying major partner body transaction streams in relation to the IJB activities and understanding how they impact the IJB financial statements
- assessing the risks of material misstatement in the IJB financial statements
- determining the nature, timing, and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the IJB financial statements are free of material misstatement.

**19.** We will give an opinion on whether the financial statements:

- give a true and fair view of the state of affairs of the IJB as at 31 March 2021 and of its income and expenditure for the year then ended.
- have been properly prepared in accordance with the financial reporting framework.

## Statutory other information in the annual accounts

**20.** We also review and report on statutory other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

**21.** In addition, we review the content of the annual report for consistency with the financial statements and with our knowledge. We report any uncorrected material misstatements in statutory other information.

## Materiality

**22.** We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

**23.** We calculate materiality at different levels as described below. The calculated materiality values for the IJB are set out in [Exhibit 3](#).



characteristics



responsibilities



principal activities



risks



governance arrangements

## Exhibit 3

### Materiality values

Materiality	Amount
<b>Planning materiality</b> – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 2021 based on the latest budget.	£1.8 million
<b>Performance materiality</b> – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 75% of planning materiality.	£1.3 million
<b>Reporting threshold (i.e., clearly trivial)</b> – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 3% of planning materiality.	£50,000



Source: Audit Scotland

## Timetable

**24.** To support the efficient use of resources it is critical that a timetable is agreed with us for the preparation and audit of the annual report and accounts. We have included an agreed timetable at [Exhibit 4](#). We will endeavour to meet the timescales set out below but recognise that this may not be possible due to uncertainty resulting from the COVID-19 pandemic.

## Exhibit 4

### Annual accounts timetable

 Key stage	 Date
Consideration of unaudited annual report and accounts by those charged with governance	21 June 2021
Latest submission date of unaudited annual report and accounts with complete working papers package	30 June 2021
Latest date for final clearance meeting with Chief Financial Officer	TBC October 2021
Agreement of audited unsigned annual report and accounts Issue of annual audit report, letter of representation and proposed independent auditor's report	TBC November 2021
Consideration of audited annual accounts and audit reporting by those charged with governance	30 November 2021
Independent auditor's report signed	30 November 2021

## Internal audit

**25.** Internal audit is provided by Inverclyde Council's internal audit section. As part of our planning process the external auditors for each partner body carried out an assessment of the internal audit functions and concluded that they operate in

accordance with the main requirements of the Public Sector Internal Audit Standards (PSIAS).

### Using the work of internal audit

**26.** International Auditing Standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible to avoid duplication. We plan to consider the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.

### Audit dimensions

**27.** Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

## Exhibit 5 Audit dimensions



Source: Code of Audit Practice

**28.** In the local government sector, the appointed auditor's annual conclusions on these four dimensions will help contribute to an overall assessment and assurance on best value.

### Financial management

**29.** Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude, and report on:

- whether arrangements are in place to ensure systems of internal control are operating effectively
- the effectiveness of budgetary control systems in communicating accurate and timely financial performance can be demonstrated
- how the IJB has assured itself that its financial capacity and skills are appropriate
- whether there are appropriate and effective arrangements in place for the prevention and detection of fraud and corruption.

## Financial sustainability

**30.** As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps

## Governance and transparency

**31.** 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. We will review, conclude and report on:

- whether the IJB can demonstrate that the governance arrangements in place are appropriate and operating effectively
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports
- the quality and timeliness of financial and performance reporting.

## Value for money

**32.** Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether the IJB can demonstrate:

- value for money in the use of resources
- there is a clear link between money spent, output and outcomes delivered.
- that outcomes are improving.

## Best Value

**33.** Integration Joint Boards have a statutory duty to make arrangements to secure best value. We will review and report on these arrangements.

## Independence and objectivity

**34.** 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 also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland’s Ethics Partner.

**35.** The engagement lead (i.e. appointed auditor) for Inverclyde Integration Joint Board is Brian Howarth, Audit Director. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of the IJB Inverclyde Integration Joint Board.

## Quality control

**36.** International Standard on Quality Control 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

**37.** The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

**38.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.



# Inverclyde Integration Joint Board

## Annual Audit Plan 2020/21

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

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<b>Report To:</b>	<b>Inverclyde Integration Joint Board Audit Committee</b>	<b>Date:</b> 29 March 2021
<b>Report By:</b>	<b>Louise Long, Corporate Director (Chief Officer) Inverclyde Health &amp; Social Care Partnership</b>	<b>Report No:</b> IJBA/07/2021/LA
<b>Contact Officer:</b>	<b>Lesley Aird</b>	<b>Contact No:</b> 01475 715381
<b>Subject:</b>	<b>IJB BEST VALUE STATEMENT 2020/21</b>	

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to provide a statement in relation to how the IJB has delivered Best Value during the previous financial year.

## **2.0 SUMMARY**

- 2.1 Appendix A contains the Draft Best Value Statement for 2020/21. This is reviewed and updated annually as part of the annual accounts process.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the IJB Audit Committee approves the Best Value Statement enclosed at Appendix A.

**Louise Long**  
Chief Officer

**Lesley Aird**  
Chief Financial Officer

## 4.0 BACKGROUND

- 4.1 Integration Joint Boards have a statutory duty to make arrangements to secure best value. To achieve this, IJBs are required to have effective arrangements in place for scrutinising performance, monitoring progress towards achieving strategic objectives and holding partners to account.
- 4.2 Part of evidencing the work that the IJB does in relation to this is through officers reviewing and updating the Best Value Statement enclosed at Appendix A each year as part of the annual accounts process.
- 4.3 The statement considers Inverclyde's position in relation to 10 key Audit Scotland Best Value prompts. Based on this statement and placing appropriate reliance on the Best Value arrangements in place through the Council and Health Board, no additional action is required by the IJB at this time over and above the actions already taking place as detailed in the statement. These 10 questions and draft responses were sent to all IJB members during the year for comment and those comments were used to update the enclosed draft statement.
- 4.4 In compiling the response a survey monkey questionnaire was sent to all IJB members in January 2021. The survey detailed the 10 Best Value prompt questions recommended by Audit Scotland and showed the proposed responses to each of those. 7 responses were received to the questionnaire. In the main respondents agreed with the proposed narrative. Where changes were proposed these have been shown as tracked changes on the attached appendix. The table in Appendix B details the responses received and action taken.
- 4.5 Within the responses were 3 comments which were not specific wording changes. Where possible the response has been amended to reflect these. The comments received were:
- Q2. *"For clarity, more information should be included about the controls and procedures of partner organisations."* – Response wording was amended to reflect this.
- Q3. *"This statement does not reflect the wider collaborative approach to Health and Social Care in Inverclyde. To demonstrate Best Value, the contribution of all relevant partners should be included."* – Response wording amended to reflect this.
- Q8. *"I do not believe it is possible to continue to save money without compromising the quality, diversity and availability of care."* - Response wording amended to reflect this.

## 5.0 DIRECTIONS

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

## 6.0 IMPLICATIONS

### 6.1 FINANCE

There are no financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A					

**LEGAL**

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

**HUMAN RESOURCES**

- 6.3 There are no specific human resources implications arising from this report.

**EQUALITIES**

- 6.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

√

YES (see attached appendix)

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.

- 6.5 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

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	None

maximised.	
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

## 6.6 CLINICAL OR CARE GOVERNANCE IMPLICATIONS

There are no governance issues within this report.

## 6.7 NATIONAL WELLBEING OUTCOMES

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

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 CONSULTATION

7.1 This report was prepared in consultation with the Chief Officer and External Audit.

## 8.0 BACKGROUND PAPERS

8.1 None.

## IJB Best Value – Draft Statement 2020/21

	Audit Scotland Prompt	Response
1	Who do you consider to be accountable for securing Best Value in the IJB?	<p>The duty of Best Value applies to all public bodies in Scotland. It is a statutory duty on local authorities (Inverclyde Council) and a formal duty on Accountable Officers, such as the Chief Executive of NHS GG&amp;C.</p> <p>The IJB is responsible for directing its partners (the Council and Health Board) to commission all IJB services in line with the principles of Best Value. Ultimately the Chief Officer is accountable to the IJB. However, this does not remove the accountability within partner organisations for their own responsibilities under Best Value legislation. Commissioning from third sector providers should be evaluated with Best Value principles during procurement.</p>
2	How do you receive assurance that the services supporting the delivery of the strategic plan are securing Best Value?	<p>IJB directions to the Council and Health Board clearly require them to deliver services in line with our Strategic Plan and that all services must be procured and delivered in line with Best Value principles.</p> <p>There are current arrangements for monitoring the delivery of the Strategic Plan this within various IJB/HSCP forums, including:</p> <ul style="list-style-type: none"> <li>• Integration Joint Board Meetings</li> <li>• Transformation Board</li> <li>• Audit Committee</li> <li>• Inverclyde Health &amp; Social Care Committee</li> <li>• Clinical &amp; Care Governance Committee</li> <li>• Strategic Planning Group</li> <li>• Senior Management Team (HSCP)</li> <li>• Corporate Management Teams of the Health Board and Council</li> </ul> <p>Performance is scrutinised regarding the targets met or any issues that arise from this. Systems of control within the IJB are subject to Internal Audit review and scrutiny by the IJB Audit Committee. The Committee also receives a regular summary of all internal audit reports relating to the IJBs partner organisations which provides further assurance in relation to Best Value. The IJB also places reliance on</p>

	Audit Scotland Prompt	Response
		<p>the controls and procedures of our partner organisations in terms of Best Value delivery which are also subject to regular audit and review directly through those partner organisations.</p> <p>IJB directions to the Council and Health Board clearly require them to deliver services in line with our Strategic Plan and that all services must be procured and delivered in line with Best Value principles.</p>
3	Do you consider there to be sufficient buy-in to the IJB's longer term vision from partner officers and members?	<p>Yes - the IJB has good joint working arrangements in place and has benefited from ongoing support from members and officers within our partner organisations over the last year in order to deliver the IJBs longer term vision. Within Inverclyde there is a wider collaborative approach to Health and Social Care with a commitment to Best Value from all relevant partners which is evidenced through their own Best Value processes and audit arrangements.</p> <p>This support is evident through additional funding which is often agreed in year by one or both partners to address demographic pressures within Health &amp; Social Care.</p> <p>The IJB also works closely with Community Planning Partners through the Strategic Alliance.</p>
4	How is value for money demonstrated in the decisions made by the IJB?	<p>All IJB papers carry a section that clearly outlines the financial implications of each proposal as well as other implications in terms of legal, HR, equality and diversity and linkage to the IJBs strategic objectives.</p> <p>The IJB engages in healthy debate and discussions around any proposed investment decisions and savings proposals, many of which are supported by additional IJB development sessions. In addition IJB directions to the Health Board and Council require them to deliver our services in line with Best Value principles.</p>
5	Do you consider there to be a culture of continuous improvement?	Yes – IJB, SPG and SMT development sessions over the past 12 months have sought to enhance the operational effectiveness of the IJB, SPG and SMT and of the services the HSCP delivers.

	Audit Scotland Prompt	Response
		<p>Many of these development sessions have been focussed around service redesign and improvement plans within services to ensure the IJB and SPG members are fully informed and engaged in our continuous improvement process. Both the IJB and SPG have staff-side representation, so staff and trade unions are also fully involved in shaping continuous improvement.</p> <p>We have also redesigned our Transformation Board arrangements to make clearer and closer links between the work of that Board and the Strategic Plan and Strategic Planning Group. Feedback from officers has been very positive on the new Board format.</p>
6	<p>Have there been any service reviews undertaken since establishment – have improvements been identified? Is there any evidence of improvements in services and/or reductions in pressures as a result of joint working?</p>	<p>Several reviews have taken place with many still ongoing. This work is overseen operationally by Review Boards for each Service Review and the Transformation Board oversees all of the reviews and redesigns with feedback on the planned and delivered service improvements and efficiencies of each.</p> <p>Some of the major reviews include: Learning Disabilities Review, Addictions Review and AHP Review. There has also been a major review of Health Improvement Services, shifting the focus from single topic project work to more of a Public Health approach. This has been done in a bid to embed a strategic approach to tackling inequalities across the whole Community Planning Partnership (the Inverclyde Alliance). All of these redesigns have been very recent, and the impacts have not yet been evaluated.</p> <p>Further information can be provided on request.</p>
7	<p>Have identified improvement actions been prioritised in terms of those likely to have the greatest impact?</p>	<p>Yes – Prioritised improvement actions in Inverclyde are managed through the Service Review Boards, Heads of Service, Transformation Board and the SMT with the Health Board and Council CMTs involved as required. All reviews are aligned to the overall Strategic Planning process which is monitored and controlled through the SPG. Annual implementation plan for each of the 6 Big Actions are in place and progress reports against these implementation plans go to the SPG and IJB to provide guidance on overall performance in delivering the Strategic Plan.</p>



	<b>Audit Scotland Prompt</b>	<b>Response</b>
8	What steps are taken to ensure that quality of care and service provided is not compromised as a result of costs saving measures?	<p>Staff and clinical representation is in place on all Review Boards, the SPG and IJB. All redesigns are discussed at the Clinical and Care Governance Group, and potential implications are required to be assessed and included in IJB reports. In addition, Equality Impact Assessments are required for savings proposals. The IJBs Clinical Care Strategy puts a firm focus on the quality and safety of care across all services.</p> <p>The integrated ways of working in Inverclyde ensure that residents experience a quality standard of care. As an example, one of the key emerging priorities for the HSCP is supporting the 3rd sector's readiness to bid for contracts. Working in partnership with the local TSI, this commitment to supporting partners in the 3rd sector will improve both the quality of the tender bids and the capacity of the 3rd sector.</p> <p>Given the level of savings, demographic demands is becoming more difficult to deliver savings, there is a concern that this will impact on quality in the future.</p>
9	Is performance information reported to the board of sufficient detail to enable value for money to be assessed?	The IJB has oversight of IJB performance both operationally and financially through regular financial and performance monitoring reports.
10	How does the IJB ensure that management of resources (finances, workforce etc.) is effective and sustainable?	Regular budget and performance monitoring reports to the IJB give oversight of this. All IJB reports contain a section outlining the financial implications of each paper. The IJBs internal control reporting mechanisms linked to the Risk Register require reporting to the Audit Committee on any High/Significant operational risks in addition to the IJB strategic risks. This additional process helps ensure the IJB has sight of any potential concerns, enabling them to manage and mitigate any resource risks.

**APPENDIX B**

Summary of Questionnaire Responses

Question/Prompt	Survey Responses			
	Agree response	Disagree	Not sure/No strong opinion	Proposed change
1. Who do you consider to be accountable for securing Best Value in the IJB?	7/7	-	-	-
2. How do you receive assurance that the services supporting the delivery of the strategic plan are securing Best Value?	6/7	-	-	1/7 Response wording amended
3. Do you consider there to be sufficient buy-in to the IJB's longer term vision from partner officers and members?	7/7	-	-	Response wording amended
4. How is value for money demonstrated in the decisions made by the IJB?	7/7	-	-	-
5. Do you consider there to be a culture of continuous improvement?	6/7	-	1/7	-
6. Have there been any service reviews undertaken since establishment – have improvements been identified? Is there any evidence of improvements in services and/or reductions in pressures as a result of joint working?	6/7	-	1/7	
7. Have identified improvement actions been prioritised in terms of those likely to have the greatest impact?	5/7	-	1/7	1/7 Response wording amended
8. What steps are taken to ensure that quality of care and service provided is not compromised as a result of costs saving measures?	4/7	1/7	-	2/7 Response wording amended
9. Is performance information reported to the board of sufficient detail to enable value for money to be assessed?	6/7	-	1/7	-
10. How does the IJB ensure that management of resources (finances, workforce etc.) is effective and sustainable?	6/7	-	-	1/7 Response wording amended

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<b>Report To:</b>	<b>Inverclyde Integration Joint Board Audit Committee</b>	<b>Date:</b>	<b>29 March 2021</b>
<b>Report By:</b>	<b>Louise Long, Corporate Director (Chief Officer), Inverclyde Health &amp; Social Care Partnership</b>	<b>Report No:</b>	<b>VP/LP/038/21</b>
<b>Contact Officer:</b>	<b>Vicky Pollock</b>	<b>Contact No:</b>	<b>01475 712180</b>
<b>Subject:</b>	<b>Inverclyde Integration Joint Board – Directions Update March 2021</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to provide the Inverclyde Integration Joint Board Audit Committee (IJB Audit) with a summary of the Directions issued by Inverclyde Integration Joint Board (IJB) to Inverclyde Council and NHS Greater Glasgow and Clyde in the period March 2020 to January 2021.

## **2.0 SUMMARY**

- 2.1 A revised IJB Directions Policy and Procedure was approved by the IJB in September 2020. As part of the agreed procedure, IJB Audit has assumed responsibility for maintaining an overview of progress with the implementation of Directions, requesting a mid-year progress report and escalating key delivery issues to the IJB. This is the first such report and covers the period from March 2020 to January 2021.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Inverclyde Integration Joint Board Audit Committee notes the content of this report.

## 4.0 BACKGROUND

- 4.1 Directions are the means by which the IJB tells the Health Board and the Council what is to be delivered using the integrated budget, and for Inverclyde IJB to improve the quality and sustainability of care, as outlined in its Strategic Plan and in support of transformational change. A direction must be given in respect of every function that has been delegated to the IJB. Directions are a legal mechanism, the use of directions is not optional for IJBs, Health Boards or Local Authorities, it is obligatory.
- 4.2 A revised IJB Directions Policy and Procedure was approved by the IJB in September 2020. As part of the agreed procedure, IJB Audit has assumed responsibility for maintaining an overview of progress with the implementation of Directions, requesting a mid-year progress report and escalating key delivery issues to the IJB. This is the first such report and covers the period from March 2020 to January 2021.
- 4.3 This report outlines a summary of the Directions issued by the IJB during the period in scope. The report does not provide detail of the Directions' content or commentary on their impacts, as it is considered that this level of oversight is facilitated through the normal performance scrutiny arrangements of the IJB and Inverclyde Health and Social Care Partnership.

## 5.0 Summary of Directions

- 5.1 A Directions log has been established for the 2020/21 financial year and will continue to be maintained and updated by the Council's Legal Services.
- 5.2 Between March 2020 and January 2021 (inclusive):
- the IJB has issued 19 Directions;
  - 16 of these were Directions to both the Council and Health Board;
  - 2 of these were Directions to the Council only; and
  - 1 of these were Directions to the Health Board only.
- 5.3 Of the 19 Directions issued by the IJB:
- 13 remain open (current);
  - 5 are closed and have been superseded; and
  - 1 is complete.
- 5.4 The list of Directions issued by the IJB to Inverclyde Council and NHS Greater Glasgow and Clyde is set out at Appendix 1 of this report.

## 6.0 PROPOSALS

- 6.1 It is proposed that the IJB Audit Committee notes this report.

## 7.0 IMPLICATIONS

### Finance

- 7.1 There are no financial implications arising from this report.

### Financial Implications:

#### One Off Costs

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

## Annually Recurring Costs/ (Savings)

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

## Legal

- 7.2 The IJB is, in terms of Sections 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014, required to direct Inverclyde Council and NHS Greater Glasgow and Clyde to deliver services to support the delivery of the Strategic Plan.

## Human Resources

- 7.3 There are no HR implications arising from this report.

## Equalities

- 7.4 There are no equality issues within this report.

- 7.4.1 Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy which has a differential impact on any of the protected characteristics. Therefore, no Equality Impact Assessment is required.

- 7.4.2 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

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

## Clinical or Care Governance

- 7.5 There are no clinical or care governance issues within this report.

## National Wellbeing Outcomes

- 7.6 How does this report support delivery of the National Wellbeing Outcomes  
There are no National Wellbeing Outcomes implications within this report.

<b>National Wellbeing Outcome</b>	<b>Implications</b>
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

## 8.0 DIRECTIONS

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

## 9.0 CONSULTATIONS

- 9.1 The Corporate Director (Chief Officer) and Chief Financial Officer have been consulted in the preparation of this report.

## 10.0 BACKGROUND PAPERS

- 10.1 None.



Other Directions Required to be added to list

<u>Meeting</u>	<u>Title</u>	<u>Reference</u>
23/06/2020	Chief Officer Report	IJB/42/2020/LL
23/06/2020	Support to Care Homes COVID	IJB/46/2020/AS
23/06/2020	Champions Board/Proud 2 Care	IJB/45/2020/SMcA
23/06/2020	District Nuring Workforce	IJB/50/2020/DMcC
24/08/2020	LD Redesign - LD Community Hub	IJB/57/2020/AS
21/09/2020	Update - Technology Enabled Care	IJB/63/2020/AS



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	
Direction Ref:		
Direction Title:		
Direction Description:		
Functions Covered:		
Funding Allocation:		
Review Date:		