
Report To: Inverclyde Integration Joint Board Audit Committee **Date:** 20 September 2021

Report By: Interim Chief Officer
Inverclyde Integration Joint Board **Report No:** IJBA/10/2021/AP

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

Subject: INTERNAL AUDIT PROGRESS REPORT – 1 MARCH TO 27 AUGUST 2021

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 1 March and 27 August 2021 that may have an impact upon the IJB's control environment.

2.0 SUMMARY

- 2.1 There was one internal audit report finalised since the last Audit Committee meeting in March.
- 2.2 The plan for 2020/2021 is complete and the audit plan for 2021/2022 is underway.
- 2.3 In relation to Internal Audit follow up, there were no actions due for completion by 31 August 2021. There are 3 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 March 2021, Internal Audit Reports reported to Inverclyde Council and NHSGGC which are relevant to the IJB are set out at paragraphs 5.4 to 5.7 of the report.
- 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.
- 2.6 In relation to External Audit action plans, there were 2 actions due for completion since the last Audit Committee meeting in March, both of which have been reported as completed. The status of External Audit actions will be reviewed by External Audit as part of their 2020-21 Annual Audit Plan and reported to Audit Committee in November 2021.

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 1 March to 27 August 2021.

Allen Stevenson
Interim Chief Officer Inverclyde Integration Joint Board

4.0 BACKGROUND

- 4.1 In March 2020 and 2021, the Audit Committee approved the current Internal Audit Annual Plan which detailed the activity to be undertaken during 2020-21 and 2021-22 respectively.
- 4.2 Internal Audit reports findings and action plans to relevant IJB Officers and the Audit Committee as part of the annual audit plan. A follow up process is in place to allow follow up of current internal audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to the Audit Committee.
- 4.3 In each audit, one of 4 overall opinions is expressed:

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

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

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

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

5.0 CURRENT POSITION

- 5.1 There was one internal audit report finalised since the last Audit Committee meeting in March in relation to IJB Directions. The overall control environment opinion was **Strong**. There was one green issue identified in relation to the submission of an annual report to the IJB regarding its directions. An action plan is in place to address this issue by June 2022.
- 5.2 The plan for 2020/2021 is complete and the plan for 2021/2022 is underway.
- 5.3 In relation to Internal Audit follow up, there were no actions due for completion by 31 August 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 March 2021 there were no Internal Audit Reports reported to Inverclyde Council relevant to the IJB.

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 March 2021, there were 4 Internal Audit Reports reported to NHSGGC which are relevant to the IJB and are set out in the undernoted table. There were no Grade 4 recommendations raised (very high exposure) and no control objectives assessed as red.

Audit Title	Rating	Number and Priority of Issues			
		4	3	2	1
Remobilisation Planning	Minor Improvement Required	-	-	3	-
Risk Management (1)	Substantial Improvement Required	-	3	4	1
Assurance Framework – Corporate Risk Register	N/A Consultancy/advisory review				
IJB Planning and Performance Reporting	N/A Consultancy/advisory review				
Payroll	Effective	-	-	-	1
Duty of Candour	Minor Improvement Required	-	-	3	2
Total		-	3	10	4

(1) Implementation of the revised Risk Policy and Strategy has been delayed by the Covid-19 pandemic, and a change in key personnel in the post of Chief Risk Officer. As such, significant work is required to support a consistent and integrated approach to risk management across the organisation. It is therefore essential that NHSGGC maintains pace with current work underway to improve risk management arrangements

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.

5.8 In relation to External Audit action plans, there were 2 actions due for completion since the last Audit Committee meeting in March, both of which have been reported as completed. The status of External Audit actions will be reviewed by External Audit as part of their 2020-21 Annual Audit Plan and reported to Audit Committee in November 2021.

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

8.0 CONSULTATIONS

8.1 N/A

9.0 LIST OF BACKGROUND PAPERS

9.1 Internal Audit Reports. Copies available from Chief Internal Auditor.

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
AT 31 AUGUST 2021**

Summary: Section 1 Summary of Management Actions due for completion by 31/08/2021

There were no actions due for completion by 31 August 2021.

Section 2 Summary of Current Management Actions Plans at 31/08/2021

At 31 August 2021 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/08/2021

At 31 August 2021 there were 3 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 August 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 31.08.2021

SECTION 1

No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*	No action proposed
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 31.08.2021

SECTION 2

Current Actions	
Due for completion September 2021	1
Due for completion March 2022	1
Due for completion June 2022	1
Total current actions:	3

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

CURRENT MANAGEMENT ACTIONS AS AT 31.08.2021

SECTION 3

Action	Owner	Expected Date
IJB Integration Scheme Update – Readiness Review (December 2019)		
<p>Specifying governance arrangements within the Integration Scheme (Amber)</p> <p>The Scottish Government have confirmed IJBs will be required to review their current integration schemes rather than complete a new scheme. The 6 HSCP across Greater Glasgow and Clyde will contribute to a short life working group to review collectively ensuring cross cutting issues are addressed.</p> <p>The Inverclyde HSCP has identified the appropriate officer to contribute to this work. The HSCP are also working closely with Legal Services within the Council and NHS to review our current Integration Scheme.</p>	Chief Officer IJB	31.03.2022
Budgetary Control (March 2020)		
<p>Updating the Inverclyde Integration Joint Board’s (IJB) reserves strategy (Green)</p> <p>The IJB’s Chief Financial Officer will update the IJB’s reserves strategy to fully:</p> <ul style="list-style-type: none"> • reflect the terminology used within the IJB’s annual accounts regarding reserves; and • allow for the revised Integration Scheme. 	Chief Financial Officer	30.09.2021*
IJB Directions (July 2021)		
<p>Reviewing Directions issued by Inverclyde Integration Joint Board (IJB) (Green)</p> <p>The IJB’s Chief Officer will submit to the IJB an annual report on the review of IJB Directions. This report will be scheduled to allow for the timing of related IJB reports such as the progress being made with implementing the IJB’s strategic plan, annual performance report and draft annual accounts and annual governance statement.</p>	Chief Officer	30.06.2022

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

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

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Budgetary Control (March 2020)	<p>Updating the Inverclyde Integration Joint Board's (IJB) reserves strategy (Green)</p> <p>The IJB's Chief Financial Officer will update the IJB's reserves strategy to fully:</p> <ul style="list-style-type: none"> • reflect the terminology used within the IJB's annual accounts regarding reserves; and • allow for the revised Integration Scheme. 	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 31 August 2021.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2016/2017	3	3	0	0	0
2017/2018	8	8	0	0	0
2018/2019	6	5	0	1	0
2019/2020	6	5	0	0	1
2020/2021	2	2	0	0	0
2021/2022	1	0	0	0	1
Total	26	23	0	1	2

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