
Report To: Inverclyde Integration Joint Board Audit Committee **Date:** 29 January 2019

Report By: Corporate Director (Chief Officer)
Inverclyde Health & Social Care Partnership **Report No:** IJBA/02/2019/AP

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

Subject: INTERNAL AUDIT PROGRESS REPORT – 20 AUGUST 2018 TO 4 JANUARY 2019

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 20 August 2018 and 4 January 2019 that may have an impact upon the IJB's control environment.

2.0 SUMMARY

- 2.1 There was one internal audit report finalised since the last Audit Committee meeting in September 2018:
 - IJB Directions
- 2.2 The fieldwork for the 2018/2019 plan is almost complete.
- 2.3 In relation to Internal Audit follow up, there were 2 action plans due for completion by 31 December 2018 of which 1 action has been reported as complete and dates in relation to 1 action have been revised. The current status report is attached at Appendix 1.
- 2.4 In addition, since the last Audit Committee meeting in September 2018, there were no Internal Audit Reports reported to Inverclyde Council and NHSGGC which are relevant to the IJB Audit Committee.
- 2.5 Internal Audit within Inverclyde Council and NHSGGC continued to 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 20 August 2018 to 4 January 2019.

Louise Long
Corporate Director (Chief Officer)
Inverclyde Health & Social Care Partnership

4.0 BACKGROUND

- 4.1 In September 2018, the Audit Committee approved the current Internal Audit Annual Plan which detailed the activity to be undertaken during 2018-19.
- 4.2 Internal Audit reports findings and action plans to relevant IJB Officers and the Audit Committee as part of the annual audit plan. A follow up process is in place to allow follow up of current internal audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to the Audit Committee.
- 4.3 In each audit, one of 4 overall opinions is expressed:

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

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

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

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

5.0 CURRENT POSITION

- 5.1 There was one internal audit report finalised since the last Audit Committee meeting in September 2018:

- IJB Directions

5.0 CURRENT POSITION (CONTINUED)

- 5.2 The Inverclyde Integration Joint Board (IJB) requires the Inverclyde Health & Social Care Partnership (HSCP) to implement its strategic plan by delivering a range of defined services. To facilitate these arrangements, the Inverclyde IJB issues binding directions to its key delivery partners, Inverclyde Council and Greater Glasgow & Clyde NHS Board. These directions are made under the Public Bodies (Joint Working) (Scotland) Act 2014. Directions made by Inverclyde IJB to partner organisations should enable stakeholders to easily identify major decisions taken by the IJB and help them understand changes being made to services. It is therefore important that directions made by Inverclyde IJB are consistent with national guidance and are effectively managed over time.
- 5.3 The objective of this audit was to provide the IJB Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by Inverclyde IJB in relation to IJB directions.
- 5.4 The review focused on the high level processes and procedures in relation to IJB directions and concentrated on identified areas of perceived higher risk, such as issuing IJB directions which are not proportionate and not adequately reporting on the progress being made with implementing IJB directions.
- 5.5 The overall control environment opinion for this audit review was **Satisfactory**. The review identified 2 GREEN issues which if implemented by management would enhance the control environment:

- Use of Integration Joint Board (IJB) directions when changing HSCP services

The Inverclyde IJB oversees the delivery of defined services under the Public Bodies (Joint Working) (Scotland) Act 2014. These services are provided by the Inverclyde Health & Social Care Partnership (HSCP) in order to implement the IJB's strategic plan. It is within this context that the IJB approves directions which are included within the financial reports which are regularly submitted to the IJB. Inverclyde Council and NHS Greater Glasgow & Clyde are legally required to implement these wide-ranging directions, which underpin delivery of the IJB's strategic plan. This approach is not overly bureaucratic and effectively authorises the ongoing delivery of HSCP services. However, we found that although significant changes to HSCP services are approved by the IJB, they are not accompanied by specific IJB directions. Instead, reliance is placed on wide-ranging IJB directions which form part of IJB financial reports.

In addition, we acknowledge that IJB and Strategic Planning Group (SPG) members are involved in the decision-making and consultative arrangements for changing HSCP services. However, the way IJB directions are currently managed means that IJB and SPG members are not directly involved in this aspect of governance.

5.0 CURRENT POSITION (CONTINUED)

- Adequacy of the Integration Joint Board's Directions Policy

The Inverclyde Integration Joint Board (IJB) uses legally binding directions to require the delivery of defined services by Inverclyde Council and NHS Greater Glasgow & Clyde. During August 2016 the IJB approved a policy for managing its directions. We have reviewed the policy and have identified some issues as follows:

- the policy does not specifically endorse the current practice whereby wide-ranging IJB directions, which are included within regular IJB financial reports, authorise the ongoing delivery of HSCP services;
- the template used for IJB directions does not include a unique reference number and a "direction status box" to distinguish between updated directions, new directions and the cancellation of existing directions;
IJB reports are not clearly formatted to show whether or not IJB directions require to be issued at all or issued to the Council, Health Board or to both delivery partners. Although we acknowledge that IJB directions included within IJB financial reports clearly show which organisation they relate to;
- the policy does not clearly allow for the preparation of joint directions involving two or more of the IJBs within NHS Greater Glasgow & Clyde.

The IJB's policy on directions was based on a Scottish Government Good Practice Guide. We understand that statutory guidance on managing IJB directions is currently being finalised by government officers. Once the Scottish Government's statutory guidance has been formally issued, it will be necessary to review the IJB's policy on directions.

5.6 The review identified 2 issues, neither of which we consider to be individually significant and an action plan is in place to address both issues by 30 April 2019.

5.7 The fieldwork for the 2018/2019 plan is almost complete.

5.8 In relation to Internal Audit follow up, there were 2 items due for completion by 31 December 2018 of which 1 item has been reported as complete and dates in relation to 1 item have been revised. The current status report is attached at Appendix 1.

5.9 Inverclyde Council – Internal Audit Progress Report Summary

Since the last Audit Committee meeting in September 2018, there were no Internal Audit reports presented to Inverclyde Council, which are relevant to the IJB Audit Committee.

5.10 A number of corporate fraud investigations have been undertaken as follows:

Year/Ref	Enquiry	Status
18/19 18-118	Misuse of Blue Badge	Ongoing investigation.
18/19 18-137	Misuse of Expired Blue Badge	Badge seized and misuse letter issued.
18/19 18-140	Misuse of Expired Blue Badge	Badge seized and misuse letter issued.
18/19 18-142	Misuse of Expired Blue Badge	Badge seized and misuse letter issued.
18/19 18-145	Misuse of Blue Badge	Badge seized and misuse letter issued.

5.0 CURRENT POSITION (CONTINUED)

18/19 18-146	Misuse of Expired Blue Badge	Badge seized and misuse letter issued.
18/19 18-148	Misuse of Blue Badge	Badge seized and BBIS updated.
18/19 18-152	Misuse of Blue Badge	Badge seized and misuse letter issued.
18/19 18-156	Misuse of Blue Badge	Visit to badgeholder and advice given.
18/19 18-158	Misuse of Blue Badge	Badge seized and misuse letter issued.
18/19 18-161	Misuse of Blue Badge	Ongoing investigation.

5.11 NHSGGC - Internal Audit Progress Report Summary

Since the last Audit Committee meeting in September 2018, there were no Internal Audit Reports issued to and agreed by the NHSGGC Audit Committee which are relevant to the IJB Audit Committee.

5.12 Scott Moncrieff have been appointed as the NHSGGC Internal Auditors and the Strategic Internal Audit Plan for 2018/19 to 2020/21 was presented to the Audit and Risk Committee in September 2018.

5.13 As part of the Strategic Plan it is intended that Internal Audit will undertake follow up work to confirm the implementation of audit recommendations. The results of the follow up work will be 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.

Equalities

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

Clinical or Care Governance Implications

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

National Wellbeing Outcomes

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

7.0 CONSULTATIONS

7.1 N/A

8.0 LIST OF BACKGROUND PAPERS

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

**INVERCLYDE INTEGRATION JOINT BOARD
INTERNAL AUDIT REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
AT 31 DECEMBER 2018**

Summary: Section 1 Summary of Management Actions due for completion by 31/12/18

There were 2 items due for completion by 31 December 2018, of which 1 item has been reported as completed and action dates in relation to 1 item has been revised.

Section 2 Summary of Current Management Actions Plans at 31/12/18

At 31 December 2018 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/12/18

At 31 December 2018 there were 9 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 December 2018 there were 5 audit action points where the agreed deadline had been missed.

Section 5 Summary of Audit Action Points By Audit Year

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

SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.12.18

SECTION 1

No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*	No action proposed
2	1	1		

* 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 31.12.18

SECTION 2

Current Actions	
Due for completion January 2019	1
Due for completion March 2019	3
Due for completion April 2019	4
Due for completion June 2019	1
Total current actions:	9

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

CURRENT MANAGEMENT ACTIONS AS AT 31.12.18

SECTION 3

Action	Owner	Expected Date
Review of Governance Arrangements (February 2017)		
<p>Managing IJB members individual training needs in governance matters (Green)</p> <p>The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will;</p> <ul style="list-style-type: none"> develop adequate and proportionate personal development plans for IJB members which reflect their training needs in governance matters, including refresher training. 	Chief Officer	30.06.19*
<p>Managing reviews and updates of the Integration Joint Board's (IJB) governance documents (Green)</p> <p>The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will organise a formal two year rolling timetable to review and update all relevant IJB governance documents.</p>	Chief Officer	31.01.19*
Strategic Planning and Performance Management Arrangements (January 2018)		
<p>Embedding risk management arrangements within the Inverclyde IJB's strategic planning process (Amber)</p> <p>The Inverclyde IJB Chief Officer will direct all relevant officers to:</p> <ul style="list-style-type: none"> embed risk management within the Inverclyde IJB strategic planning process. In particular this exercise will include preparing and regularly updating a risk register for both the current and subsequent strategic plan. The action plans flowing from the risk registers will concentrate on addressing critical risks which are at least to some extent controllable; and examine how best to better utilise the knowledge and experience of Strategic Planning Group (SPG) participants when applying risk management to the Inverclyde IJB strategic planning process. 	Head of Strategy & Support Services	31.03.19*

* 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**

CURRENT MANAGEMENT ACTIONS AS AT 31.12.18

SECTION 3

Action	Owner	Expected Date
Strategic Planning and Performance Management Arrangements (January 2018)		
<p>Annual review of the IJB's three year strategic plan and managing changes which impact on delivering outcomes (Amber) The Head of Strategy & Support Services will also:</p> <ul style="list-style-type: none"> • increase the role of the Strategic Planning Group in monitoring implementation of the strategic plan; and • develop the Strategic Planning Group's role in monitoring the process for measuring delivery of outcomes within the strategic plan in order that the Strategic Planning Group can be satisfied those arrangements are supported by robust evidence. 	Head of Strategy & Support Services	30.04.19*
<p>Ensuring compliance with legal requirements regarding the Strategic Planning Group (Green) The Head of Strategy & Support Services will, in consultation with the IJB Standards Officer, develop an approach to actively manage all outstanding compliance issues regarding the operation of the Strategic Planning Group.</p>	Head of Strategy & Support Services	31.03.19*
Workforce Planning (May 2018)		
<p>Managing the People Plan within the overall planning landscape (Green) Management will seek agreement with relevant Council officers in order that reliance can be placed upon the HSCP's partnership approach to workforce planning.</p>	Head of Strategy & Support Services	31.03.19
IJB Directions (December 2018)		
<p>Use of Integration Joint Board (IJB) directions when changing HSCP services (Green) Financial changes in directions are managed through the IJB monitoring reports process and there are thresholds in place around budget changes and virements – no further change proposed for this.</p> <p>Non-financial criteria – all substantive service changes are already subject to specific reports to the IJB and relevant funding body – proposed that a section is added to the IJB reports to confirm whether on a case by case basis the change requires a specific updated direction to be issued. Await final directions guidance from Scottish Government before implementing to ensure the new guidance is followed.</p>	Chief Officer	30.04.19

* 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
Review of Governance Arrangements (February 2017)	<p>Managing IJB members individual training needs in governance matters (Green)</p> <p>The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will develop adequate and proportionate personal development plans for IJB members which reflect their training needs in governance matters, including refresher training.</p>	<p>28.02.18 30.09.18</p>	30.06.19	<p>Induction training and packs are now in place for new members. Training has taken place throughout the year through development sessions and access to external training events.</p> <p>Code of Conduct training is being provided on 21 January 2019.</p> <p>Personal development plans will be developed for all IJB Members going forward.</p>
Review of Governance Arrangements (February 2017)	<p>Managing reviews and updates of the Integration Joint Board's (IJB) governance documents (Green)</p> <p>The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will organise a formal two year rolling timetable to review and update all relevant IJB governance documents.</p>	<p>28.02.18 30.09.18</p>	31.01.19	<p>A register of key governance documents has been developed and circulated to officers for comment and completion.</p>

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

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
<p>Strategic Planning and Performance Management Arrangements (January 2018)</p>	<p>Embedding risk management arrangements within the Inverclyde IJB's strategic planning process (Amber) The Inverclyde IJB Chief Officer will direct all relevant officers to:</p> <ul style="list-style-type: none"> • embed risk management within the Inverclyde IJB strategic planning process. In particular this exercise will include preparing and regularly updating a risk register for both the current and subsequent strategic plan. The action plans flowing from the risk registers will concentrate on addressing critical risks which are at least to some extent controllable; and • examine how best to better utilise the knowledge and experience of Strategic Planning Group (SPG) participants when applying risk management to the Inverclyde IJB strategic planning process. 	<p>30.06.18</p>	<p>31.03.19</p>	<p>Each area of the HSCP has an operational risk register updated and reviewed regularly. The risks registers are reviewed by the Senior Management Team.</p> <p>Work has been undertaken regarding risk management in terms of preparing the next strategic plan. In a report to the Integration Joint Board on 18 June, a timetable has been agreed for the key stages to develop the 2019-2024 Strategic Plan. It is anticipated that the 1st draft of the plan will be produced by December 2018 with public consultation and finalisation of the plan thereafter.</p> <p>At the 25th January meeting of the SPG, the risk register will be discussed and a process for future review and oversight by the SPG will be developed and hopefully agreed.</p>

**INVERCLYDE INTEGRATION JOINT BOARD
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ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Strategic Planning and Performance Management Arrangements (January 2018)	<p>Ensuring compliance with legal requirements regarding the Strategic Planning Group (Green)</p> <p>The Head of Strategy & Support Services will, in consultation with the IJB Standards Officer, develop an approach to actively manage all outstanding compliance issues regarding the operation of the Strategic Planning Group.</p>	<p>30.06.18 30.09.18</p>	31.03.19	<p>The Terms of Reference and membership of the SPG were reviewed in January 2018 and approved at the meeting of the SPG on 8 February 2018 in preparation for the review of the 2016/2019 Strategic Plan and the development of the new Strategic Plan due in April 2019.</p> <p>Development programmes have been put in place for both the IJB and the SPG.</p> <p>A report will be presented to the IJB in March 2019 formally confirming Membership of the Strategic Planning Group, and describing the SPG role in monitoring implementation of the Strategic Plan 2019-24.</p>

**INVERCLYDE INTEGRATION JOINT BOARD
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STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
<p>Strategic Planning and Performance Management Arrangements (January 2018)</p>	<p>Annual review of the IJB's three year strategic plan and managing changes which impact on delivering outcomes (Amber) The Head of Strategy & Support Services will also:</p> <ul style="list-style-type: none"> • increase the role of the Strategic Planning Group in monitoring implementation of the strategic plan; and • develop the Strategic Planning Group's role in monitoring the process for measuring delivery of outcomes within the strategic plan in order that the Strategic Planning Group can be satisfied those arrangements are supported by robust evidence. 	<p>30.09.18</p>	<p>30.04.19</p>	<p>An annual review for 2018/19 has taken place as part of the development of the new Strategic Plan.</p> <p>The new Strategic Plan will highlight the 6 priority actions being delivered and there will be an associated action plan which will be updated by officers in advance of each SPG to include performance information and RAG status. There will be further work with SPG to ensure confident and robust measurements are in place.</p> <p>The implementation plan for the 2019-24 Strategic Plan includes specific targets and timelines. RAG status will be included for ease of navigation and effective oversight by the SPG.</p> <p>SPG development work will include time on monitoring the delivery of the Strategic Plan.</p>

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

SUMMARY OF ACTION PLAN POINTS BY AUDIT YEAR

SECTION 5

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 31 December 2018.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2016/2017	3	1	0	0	2
2017/2018	8	4	0	2	2
2018/2019	3	0	0	0	3
Total	14	5	0	2	7

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