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**Report To:** Inverclyde Integration Joint Board Audit Committee      **Date:** 10 September 2019

**Report By:** Corporate Director (Chief Officer)  
Inverclyde Health & Social Care Partnership      **Report No:** IJBA/08/2019/AP

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

**Subject: INTERNAL AUDIT PROGRESS REPORT – 25 FEBRUARY TO 16 AUGUST 2019**

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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 25 February and 16 August 2019 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 March 2019.
- 2.2 The 2018/2019 plan is complete.
- 2.3 In relation to Internal Audit follow up, there were 9 action plans due for completion by 31 July 2019 of which 7 actions have been reported as complete and dates in relation to 2 actions have been revised. The current status report is attached at Appendix 1.
- 2.4 In addition, since the last Audit Committee meeting in March 2019, a number of Internal Audit Reports have been reported to Inverclyde Council and NHSGGC which are relevant to the IJB Audit Committee. These are set out in Section 5 of this report.
- 2.5 Actions have been agreed with management and Internal Audit within Inverclyde Council and NHSGGC undertake follow up of actions in accordance with agreed processes and report on progress to the respective Audit Committees.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that IJB Audit Committee members agree to note the progress made by Internal Audit in the period from 25 February and 16 August 2019.

**Louise Long**  
**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:

<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 March 2019.
- 5.2 The 2018/2019 audit plan is complete.
- 5.3 In relation to Internal Audit follow up, there were 9 items due for completion by 31 July 2019 of which 7 items have been reported as complete and dates in relation to 2 items have been revised. 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 2019, the following Internal Audit Report has been reported to Inverclyde Council, which is relevant to the IJB Audit Committee:-

Audit Report	Report Opinion	Number/Category of Issues		
		Red	Amber	Green
HSCP Contract Management (1)	Satisfactory	0	1	2
Change Board Governance (2)	Strong	0	0	3
BACS Payment Process (3)	Satisfactory	0	3	2
Employee Expenses (4)	N/A	N/A	N/A	N/A

- 5.5 (1) The Inverclyde Health & Social Care Partnership (HSCP) provides local residents with a range of legally defined services such as home care and advice services. A combination of commissioned services and directly employed staff are used to deliver HSCP services. The annual expenditure on commissioned services amounts to approximately £35m. It is important that a consistent and effective approach is applied to the management of all external service providers. In particular, effective arrangements must be in place to monitor the operational performance of service providers.

The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by Inverclyde Council in relation to HSCP contract management.

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

#### Adequacy of Contract Management Framework (CMF) documentation

Contract Management Framework (CMF) documentation has been developed which sets out the key processes that form part of contract management. However, the documentation does not adequately specify the roles and responsibilities of officers when they need to deal with underperforming providers or outline the timeframes for taking corrective action.

In addition, the CMF sets out a number of monitoring indicators which are used in the assessment of service providers' performance. We have reviewed the indicators within the CMF and identified that:

- common indicators for all providers have not been labelled as such;
- indicators have not been fully organised by HSCP function; and
- the relative importance of each indicator has not been specified.

Where clear documentation does not exist to support staff there is a risk that the management of underperforming HSCP service providers may not be undertaken in a consistent and structured approach.

In addition, it may be more difficult to easily select monitoring indicators when the guidance containing those indicators has not been organised by function or prioritised.

## 5.0 CURRENT POSITION (CONTINUED)

The review identified 3 issues, one of which we consider to be individually significant and an action plan is in place to address all issues by 30 November 2019.

- (2) The demand for Council services is increasing and the cost of providing those services is also rising. However, the Council's income does not increase in line with its costs and there is an ongoing requirement to provide a number of legally mandated services. This environment intensifies the need to produce savings by changing Council services. Part of the Council's response to this situation includes the "Delivering Differently in Inverclyde" programme. The success of such a change management programme is partly determined by the effectiveness of its governance arrangements.

The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks in relation to the governance arrangements for the Change Boards.

The overall control environment opinion for this audit review was **Strong**. Three GREEN issues were identified which if implemented by management would enhance the control environment. An action plan has been agreed and all actions are now complete.

- (3) As part of an external auditor's report on the 2016/17 audit, a significant fraud was referred that had been perpetrated against Dundee City Council. The report stressed the wider lessons from this incident for other Councils to consider is the important of key internal controls. A key area which was identified for review was the BACS (Bank Automatic Clearing System) Payment Process. In early 2018 the Chief Financial Officer set up a short term group of officers from within Finance & ICT to assess how the Council was placed to avoid similar problems and this audit took place at the same time as actions identified by the group were being implemented.

Inverclyde Council uses BACS software Bottomline Technologies to transmit financial transactions for automated payments such as creditors' payments and employee payments. The majority of the Council's payments are made by BACS transmission. Therefore security procedures and controls should be in place to ensure all payments are complete and accurate and access is appropriately restricted.

The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by Inverclyde Council in relation to the BACS payment process.

The overall control environment opinion for this audit review was **Satisfactory**. There were 3 AMBER issues identified as follows:

### Unrestricted access to BACS file location

During the BACS payment process, the payment file is transferred by the Payables and Income Team Leader or Assistant Team Leader to a specific server allocated by ICT prior to being electronically transferred via Bottomline BACS software by Finance staff to the Council's bank for payment.

## 5.0 CURRENT POSITION (CONTINUED)

Through observation and enquiry, it was identified that the BACS file held on the server within ICT is not encrypted and access to the server is currently unrestricted to all Council staff.

Where logical access controls to restrict access to the BACS file are not adequate, there is a risk that bank account numbers and sort codes could be manipulated by the FMS team.

### Unrestricted access to payment files

As part of the BACS payment process, the FMS team upload batch payments files by interface from various feeder systems and the FMS team view the payment file on a Windows Notepad. However, the 8 digit bank account numbers and 6 digit sort codes are not encrypted on the Notepad and can be amended by any member of the FMS team. In addition, there is no independent check of the payment file prior to and after transferring it to the Payables & Income team who can also view and amend the 8 digit bank account numbers and 6 digit sort codes on the notepad.

Where access to bank details is not adequately restricted, there is a risk that sort codes and bank account numbers could be amended or sold on for fraudulent use.

### Housekeeping of the BACS payment files held on the ICT server location

A key task within the BACS payment process is to transfer the payment file from the Finance drive to the ICT server before being transferred through the Bottomline BACS system. The Payables & Income staff ensure that the BACS files on the Finance drive are cleared out on a 2 weekly basis.

However, it was identified that the ICT server contained BACS files dating back to 2016. These files contain the 8 digit bank account numbers and the 6 digit sort codes of each creditor contained in the relevant BACS payment file. At the time of the review, these BACS files could be viewed by all staff whilst on the ICT server.

Where BACS files are not cleared out on a regular basis, there is a risk that the bank account numbers and sort codes could be stolen and used for fraudulent purposes.

The review identified 5 issues, 3 of which we consider to be individually significant and all action plans were completed by 31 July 2019.

- (4) Employees necessarily incurring additional expense in the course of their work will be reimbursed approved expenses, based on actual expenditure incurred, subject to appropriate evidence of expenditure being produced and prior approval being given from the Head of Service or nominated senior officer.

The scope of the review included employee expense claims submitted by Inverclyde Council employees during the financial year 2018-2019. We did not review expense claims made via CM2000 as this process will be included in a future audit of Payroll.

Substantive testing was carried out on 3416 claim forms submitted between April 2018 and March 2019. This testing identified general issues with the completion of claim forms and adequacy of supporting documentation.

## 5.0 CURRENT POSITION (CONTINUED)

There were 50 cases where potential discrepancies were identified. Through further discussion with line management, discrepancies were identified in 13 cases including duplicate claims for mileage, inaccurate/rounding up of mileage, claiming for mileage when not at work and ineligible claims. These claims were all authorised by line management and paid. All cases have been discussed with relevant line management and for 2 cases, separate investigations were carried out which have resulted in disciplinary action being instigated by the Service. For 7 cases where a valid and accurate overpayment was identified, this has been recovered by Payroll.

In addition, the following policy issues were identified:

- As part of the audit testing we identified that around 50 claim forms were submitted by employees in relation to subsistence where the employee accompanied a service user in the community. For the claim forms reviewed, this was a regular occurrence often on a daily basis. There is therefore a risk that these claims do not represent value for money. There is also a risk that employees are being treated inconsistently in the absence of a clear policy and practice which covers subsistence. Management have confirmed that this has been a historic practice and have advised that steps have been taken to remove and/or reduce levels of subsistence claims and that alternative provisions have been put in place where appropriate.
- As part of the audit testing we identified around 30-40 employees who claim in excess of 200 miles each period. Through further scrutiny we identified that journeys outwith Inverclyde were being claimed in relation to attending training courses and external meetings as well as accompanying service users and young people. In addition, daily mileage is being incurred by a number of employees/teams who mainly travel within Inverclyde to carry out their duties and may therefore benefit from a dedicated fleet car or access to a pool car arrangement where this is available.
- For two groups of staff, excess mileage claims were processed and paid which were invalid. For one group of staff, claims for excess mileage can be made where the actual journey undertaken is more than the notional journey from the HQ location to the place of work. Audit testing identified that for one employee the actual mileage claimed from home to work was less than the notional journey and therefore no claims should have been made. This overpayment has now been recovered. For the other group of staff, an employee had been permanently transferred from one location to another and had been advised by management to claim home to work mileage for a period of 6 months. We were unable to find documentary evidence to support this authorisation and further testing identified a number of other officers who have also claimed in the same manner. HR have confirmed that there is no excess travel scheme.

## 5.0 CURRENT POSITION (CONTINUED)

An action plan has been agreed with the Corporate Management Team and includes the following:

1. Claim forms will be validated in the first instance by line managers who have operational knowledge of the day to day operations prior to authorisation by the budget holder.
2. Standard mileage will be agreed for regular journeys undertaken or mileage will be calculated using the vehicle's odometer or google maps.
3. Travel and Subsistence Policy will be updated to make clear what is eligible and not eligible for reimbursement and guidance will be provided regarding subsistence.
4. For travel outside of Inverclyde, public transport will be the default option in all cases. Where required, access to a pool/hire car will be considered as a more cost-effective alternative to using private car. Where a private car is required to be used, this will be approved by the Head of Service.
5. Savings proposals will be considered in relation to high mileage claims where a pool, electric or rental vehicle may be a more cost-effective solution in the longer term.
6. Travel and Subsistence Policy will be reviewed and updated in relation to excess mileage claims to ensure clear guidance is provided to employees.
7. Line managers and supervisors will be reminded of the need to scrutinise expense claims for validity and ensure that supporting documentation is attached prior to authorisation of the claim.
8. The Travel and Subsistence self-service module within Chris21 will be examined and a pilot service will be identified to develop and implement the new process across all Services.

As part of the 2019-2020 Internal Audit plan we will continue to review expense claims on a quarterly basis to ensure all actions have been implemented.

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

5.7 The Annual Internal Audit Report for Inverclyde Council outlined the internal audit work carried out for the year ended 31 March 2019 and stated that the Chief Internal Auditor was required to provide a written statement to the organisation to inform the Annual Governance Statement. The internal audit work carried out during the year was based on the internal audit annual plan for the year which had been approved by the Audit Committee in April 2018.

The Chief Internal Auditor Opinion was *Generally Satisfactory with some improvement needed*. A few specific control weaknesses were noted: generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.

There were no audit reports during 2018-19 rated as Unsatisfactory or Requires Improvement which required to be reported in the Annual Governance Statement.

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

Blue Badge Enquiries		
Number of Enquiries	Misuse Identified	No misuse
35	27	8



## 5.0 CURRENT POSITION (CONTINUED)

### 5.9 NHSGGC - Internal Audit Progress Report Summary

Since the last Audit Committee meeting in March 2019, the following Internal Audit Reports have been issued to and agreed by NHSGGC Audit Committee which are relevant to the IJB Audit Committee:-

Audit Report	Opinion	Red	Amber	Yellow	Green
Strategic Planning Alignment	N/A (consultancy report)	-	-	-	-
Financial Systems Health Check	Minor improvement required	-	-	9	1
Financial Planning – Financial Improvement Programme	Minor improvement required	-	-	3	2
Payroll (1)	Substantial Improvement Required	-	2	3	2
Sickness Absence (2)	Substantial Improvement Required	-	5	1	1
Other Leave	Minor improvement required	-	-	3	-
Digital Strategy	Minor improvement required	-	-	2	-
Governance statement readiness	Effective	-	-	-	1
Property transaction monitoring	Minor improvement required	-	-	2	-
Capacity planning	Minor improvement required	-	-	2	1
Performance reporting (3)	Substantial Improvement Required	-	2	2	-
HSMR	Minor improvement required	-	-	3	-
Nurse rostering	Minor improvement required	-	1	4	-
GDPR compliance	Minor improvement required	-	1	1	1
Information sharing	Minor improvement required	-	-	3	1
Waiting times	Effective	-	-	-	1

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

#### **Immediate, major improvement required (Red)**

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

Critical: fundamental absence or failure of key controls

## 5.0 CURRENT POSITION (CONTINUED)

### Substantial improvement required (Amber)

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

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

### Minor improvement required (Yellow)

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

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

### Effective (Green)

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

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

Recommendations are graded as follows:-

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

5.11 The amber rated reports are as follows:-

#### (1) Payroll

The review has identified a number of weaknesses within NHS Greater Glasgow and Clyde's payroll procedures. These cover a number of different areas including the processing of amendments, staff bank payments, medical on-call supplements and Waiting List Initiative sessions. The capabilities of the new HR system, eESS, will help the Board address many of the recommendations raised in this report and should also improve the efficiency of the payroll processes.

The findings included in the management action plan have been agreed with the audit contacts and sponsor. A timeline for the completion of actions has also been agreed, which will be followed-up as part of their quarterly follow-up process.

## **5.0 CURRENT POSITION (CONTINUED)**

### **(2) Sickness Absence**

NHSGGC has created a robust framework for managing sickness absence. Line managers have access to a range of guidance, templates and absence data to assist them to manage individual absences and address underlying causes affecting their teams.

Scott-Moncrieff identified through their sample testing, however, that managers and supervisors are not consistently using this information and adhering to documented processes to manage absences at both individual and team levels. Scott-Moncrieff also identified that appropriate checks are not occurring to ensure that absences are managed in line with processes and that initiatives to improve attendance are implemented in full.

Absences may not be managed effectively in every instance which could prevent NHSGGC from lowering absence rates across the Board. Scott-Moncrieff have identified actions relating to improving compliance with procedures, enhanced reporting/checks and improving the quality of data on sickness absence that would help the Board to improve arrangements in the area.

The findings included in the management action plan have been agreed with the audit contacts and sponsor. A timeline for the completion of actions has also been agreed, which will be followed-up as part of their quarterly follow-up process.

### **(3) Performance Reporting**

The performance management arrangements in place within NHSGGC reflect good practice in many areas, however there is significant room for improvement in some respects. NHSGGC has an 'Interim Annual Plan' in place for 2018/19 that sets out the health board's objectives for the year. This plan was put in place as an interim measure following the Scottish Government's suspension of the Annual Delivery Plan process and in recognition of the impact that Moving Forward Together will have in shaping the strategic agenda. The plan is supplemented by a performance management plan that contains supporting actions and targets for measuring delivery of those objectives. The objectives and targets identified provide adequate coverage over the main activities of the health board and comprise an appropriate mix of qualitative and quantitative indicators. This enables NHSGGC to monitor their performance throughout the current year. We have however, identified significant enhancements that can be made to the performance management process to improve how performance against objectives is measured and reported.

Scott-Moncrieff recommend that NHSGGC produce a comprehensive performance framework to ensure organisation-wide performance is robustly measured and reported on. This includes ensuring all targets are SMART and contain adequate detail around how they will be delivered. This framework should support the production of performance reports that provide substantial assurance to the NHSGGC Board and minimise the current reporting duplication across the organisation.

The findings included in the management action plan have been agreed with the audit contacts and sponsor. A timeline for the completion of actions has also been agreed, which will be followed-up as part of their quarterly follow-up process.

- 5.12 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.

## 5.0 CURRENT POSITION (CONTINUED)

5.13 The overall audit opinion reported in the NHSGGC Internal Audit Annual Audit report 2018/2019 was as follows:

In our opinion NHS Greater Glasgow and Clyde's internal control framework provides reasonable assurance regarding the achievement of objectives, the management of key risks and the delivery of best value, except in relation to:

- Performance Reporting;
- Payroll; and
- Sickness Absence.

Working closely with management, our reviews in the above areas highlighted significant opportunities for improving controls in order to ensure appropriate mitigation of risk, with 9 amber rated (high risk) actions arising.

Management has committed to implementing the necessary improvement actions in all of the above areas and progress is being reported to the Audit and Risk Committee as appropriate. Our most recent follow-up review for Q4 2018/19 has confirmed that management are making good progress in implementing the actions in line with agreed timescales, and we will continue to monitor this position on a quarterly basis during 2019/20.

## 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?

<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 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 JULY 2019**

**Summary: Section 1 Summary of Management Actions due for completion by 31/07/19**

There were 9 items due for completion by 31 July 2019 of which 7 items have been reported as completed by management and action dates in relation to 2 items have been revised.

**Section 2 Summary of Current Management Actions Plans at 31/07/19**

At 31 July 2019 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 31/07/19**

At 31 July 2019 there were 3 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 July 2019 there were 2 audit action points where the agreed deadline had been missed.

**Section 5 Summary of Audit Action Points By Audit Year**

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

**SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.07.19**

**SECTION 1**

No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*	No action proposed
9	7		2	

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

Completed actions are as follows:

Report/Agreed Action	Status
<b>Review of Governance Arrangements (February 2017)</b>	
<p><b>Managing IJB members individual training needs in governance matters (Green)</b></p> <p>The IJB Chief Officer, in conjunction with the IJB Chief Financial Officer and IJB Standards Officer, will ensure that IJB members undertake a self-assessment exercise on an annual basis which reflects their training needs in governance matters, including refresher training. This will be factored into future development sessions for IJB Members.</p> <p>Action due date: 30/06/19</p>	<p>IJB Development Programme approved at IJB meeting of 14<sup>th</sup> May 2019. Training has been offered and development plan for year agreed.</p>
<b>Strategic Planning and Performance Management Arrangements (January 2018)</b>	
<p><b>Annual review of the IJB's three year strategic plan and managing changes which impact on delivering outcomes (Amber)</b></p> <p>The Head of Strategy &amp; Support Services will also:</p> <ul style="list-style-type: none"> <li>• increase the role of the Strategic Planning Group in monitoring implementation of the strategic plan; and</li> <li>• 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</li> <li>• are supported by robust evidence.</li> </ul> <p>Action due date: 30/04/19</p>	<p>Review completed in June 2018 and used to inform the new 5 Year Strategic Plan (2019-24). Development was led by the SPG, and sessions to shape the implementation plans relating to the 6 Big Actions have included the SPG members. Once all implementation plans are completed and approved, actions will carry RAG status. SPG will receive updates at every meeting on an exceptions basis.</p>



**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 31.07.19**

**SECTION 1**

Report/Agreed Action	Status
<b>Strategic Planning and Performance Management Arrangements (January 2018)</b>	
<p><b>Ensuring compliance with legal requirements regarding the Strategic Planning Group (Green)</b> The Head of Strategy &amp; 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>Action due date: 31/03/19</p>	<p>SPG Terms of Reference have been reviewed to ensure that compliance is explicit in the operating model.</p>
<b>Workforce Planning (May 2018)</b>	
<p><b>Managing the People Plan within the overall planning landscape (Green)</b> 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> <p>Action due date: 31/03/19</p>	<p>Succession plans have been developed in line with the Council's requirements and these are now being used to inform a refresh of the People Plan Action Plan.</p>
<b>IJB Directions (December 2018)</b>	
<p><b>Use of Integration Joint Board (IJB) directions when changing HSCP services (Green)</b> 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> <p>Action due date: 30/04/19</p>	<p>IJB Reports template has been updated to explicitly include directions where required, or provide a null response if no directions are required.</p>
<b>IJB Financial Planning Arrangements (February 2019)</b>	
<p><b>Adequacy of the Inverclyde Integration Joint Board's (IJB) financial planning process (Green)</b> The IJB's Chief Financial Officer will update the IJB's Financial Plan and:</p> <ul style="list-style-type: none"> <li>• include analysis of the risks associated with its implementation;</li> <li>• retain section 5 of the first Financial Plan and outline the financial implications of implementing the next Strategic Plan</li> <li>• make clear that best and worst case scenarios had been examined when preparing the most likely financial scenario for the IJB;</li> <li>• consider including best and worst case financial scenarios; and</li> <li>• set a timetable to review and update the Financial Plan and align it to reviews of the Strategic Plan.</li> </ul> <p>Action due date: 30/06/19</p>	<p>The Financial Plan has been updated to incorporate a risk and scenario planning section in line with this recommendation. The revised plan was approved by the IJB in March 2019.</p>

**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 31.07.19**

**SECTION 1**

<b>Report/Agreed Action</b>	<b>Status</b>
<p><b>Guidance to support Inverclyde IJB's financial planning process (Green)</b> The Inverclyde IJB Chief Financial Officer will:</p> <ul style="list-style-type: none"><li>• develop appropriate financial planning guidance which is consistent with the existing budget setting protocol. This guidance will specify the roles and responsibilities of all relevant officers involved in financial planning;</li><li>• consider including the existing budget setting protocol and financial planning guidance as appendices to the IJB's Financial Regulations; and</li><li>• set a date for completing a review of the IJB's Financial Regulations.</li></ul> <p>Action due date: 30/06/19</p>	<p>The financial regulations have been updated in line with this recommendation.</p>

**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 31.07.19**

**SECTION 2**

<b>Current Actions</b>	
Due for completion September 2019	1
Completion date to be advised	2
<b>Total current actions:</b>	<b>3</b>



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

**CURRENT MANAGEMENT ACTIONS AS AT 31.07.19**

**SECTION 3**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>IJB Financial Planning Arrangements (February 2019)</b>		
<b>Guidance to support Inverclyde IJB's financial planning process (Green)</b> The Inverclyde IJB Standards Officer will develop an appropriate Scheme of Delegation to Officers. The Scheme of Delegation to Officers will include reference to financial planning.	<b>IJB Standards Officer</b>	<b>30.09.19</b>

\* 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>IJB Directions (December 2018)</b>	<p><b>Adequacy of the Integration Joint Board’s Directions Policy (Green)</b> The IJB’s policy on directions will be reviewed and updated by:</p> <ul style="list-style-type: none"> <li>• clearly endorsing the current practice whereby wide-ranging IJB directions are included within regular IJB financial reports in order to authorise the ongoing delivery of HSCP services;</li> <li>• including within each IJB report an “information grid” which shows whether or not IJB directions require to be issued at all or issued to the Council, Health Board or to both of its delivery partners;</li> <li>• amending the template used for IJB directions to include a unique reference number which comprises the IJB meeting date and corresponding report number;</li> <li>• amending the template used for IJB directions to include a “direction status box” to distinguish between updated directions, new directions and the cancellation of existing directions; and</li> <li>• allowing for the preparation of joint directions involving two or more of the IJB’s within NHS Greater Glasgow &amp; Clyde along with outlining the circumstances in which joint IJB directions could become necessary.</li> </ul>	<b>30.04.19</b>	<b>To be advised</b>	<p>The template report has been updated to include a directions box.</p> <p>We are still waiting for the statutory guidance on directions to be issued by the Scottish Government. A revised policy will be implemented once the final Scottish Government guidance is issued.</p>

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

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>IJB Directions (December 2018)</b>	<p><b>Adequacy of the Integration Joint Board's Directions Policy (Green)</b></p> <p>Once the Scottish Government's statutory guidance on IJB directions has been issued the Integration Joint Board's Chief Officer will, in conjunction with the IJB's Standards Officer, examine how best to demonstrate compliance with that guidance whilst retaining those elements of current practice which are operating satisfactorily.</p> <p>The IJB's Chief Officer will seek approval from the Inverclyde IJB to implement a revised policy on managing IJB directions.</p>	<b>30.04.19</b>	<b>To be advised</b>	<p>The template report has been updated to include a directions box.</p> <p>We are still waiting for the statutory guidance on directions to be issued by the Scottish Government. A revised policy will be implemented once the final Scottish Government guidance is issued.</p>

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

**SUMMARY OF ACTION PLAN POINTS BY AUDIT YEAR**

**SECTION 5**

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 31 July 2019.

<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	3	0	0	3
<b>Total</b>	<b>17</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>3</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.