

---

**Report To:** Inverclyde Integration Joint Board Audit Committee      **Date:** 24 January 2022

**Report By:** Interim Chief Officer  
Inverclyde Integration Joint Board      **Report No:** IJBA/01/2022/AP

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

**Subject: INTERNAL AUDIT PROGRESS REPORT – 30 AUGUST TO 17 DECEMBER 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 September:

- IJB Performance Management and Reporting Arrangements

- 2.2 The audit plan for 2021/2022 is now complete.

- 2.3 In relation to Internal Audit follow up, there were no actions due for completion by 30 November 2021. There are 8 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 September 2021, Internal Audit Reports reported to Inverclyde Council and NHSGGC which are relevant to the IJB are set out at paragraphs 5.9 to 5.12 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.

### **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 30 August to 17 December 2021.

**Allen Stevenson**  
**Interim Chief Officer Inverclyde Integration Joint Board**

## 4.0 BACKGROUND

- 4.1 In March 2021, the Audit Committee approved the current Internal Audit Annual Plan which detailed the activity to be undertaken during 2021-22.
- 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 was one internal audit report finalised since the last Audit Committee meeting in September in relation to IJB Performance Management and Reporting Arrangements.
- 5.2 In order to comply with relevant legislation, along with local and national policies, the Inverclyde IJB oversees the delivery of defined health and social care services to local residents. Those services are delivered by the Inverclyde Health & Social Care Partnership (HSCP). It is within this organisational framework that the HSCP is currently implementing the IJB's five year strategic plan. Adequate and effective performance management and reporting arrangements must be in place to gauge the progress being made with implementing the IJB's strategic plan.

## 5.0 CURRENT POSITION (CONTINUED)

- 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 the IJB's strategic plan performance management and reporting arrangements.
- 5.4 The review focused on the high level processes and procedures in relation to the IJB's performance management and reporting arrangements and concentrated on identified areas of perceived higher risk, such as not completely and adequately monitoring implementation of the IJB's strategic plan and not providing key stakeholders with relevant and timely information regarding implementation of the IJB's strategic plan.
- 5.5 The overall control environment opinion for this audit review was **Satisfactory**. There was one AMBER issue identified as follows:

### Reporting on progress with implementing the IJB's Strategic Plan (AMBER)

The Inverclyde Integration Joint Board (IJB) oversees the delivery of defined health and social care services on behalf of local residents. When implementing the IJB's Strategic Plan those services are either organised or commissioned by the Inverclyde Health & Social Care Partnership (HSCP). From our review of reporting and documentation arrangements we have identified some issues as follows:

- the content of the Strategic Plan progress report overlaps with the Annual Performance report. There is scope to effectively incorporate the progress report within Annual Performance report;
- two elements of the report format used in the first Strategic Plan progress report for 2019/20 could be re-introduced into the third progress report for 2021/22. Namely, reapplying "Red/Amber/Green" status reporting of actions and bringing back coverage of issues and related risks;
- there is scope to increase accountability as a mid-year progress report on delivery of the Strategic Plan is not submitted to the IJB;
- within Inverclyde Council's website there is no single page which consolidates key Strategic Plan documentation; and
- there is no "easy read" document which covers the progress being made with implementing the IJB's Strategic Plan.

There is some unnecessary duplication of effort and reporting due to an overlap in the content of the Strategic Plan progress report and Annual Performance report.

It is more difficult for stakeholders to gauge the progress being made with implementing the IJB's Strategic Plan when "Red/Amber/Green" status reporting is not applied to the published progress report and only annual updates on progress are formally provided to IJB members.

Effective communication with stakeholders may be diluted when key documentation regarding the Strategic Plan cannot easily be located online. Likewise when documentation assumes knowledge of health and social care provision which not all stakeholders may possess.

- 5.6 The audit identified 2 issues, one of which we consider to be individually significant and an action plan is in place to address both issues by 30 November 2022.
- 5.7 The plan for 2021/2022 is now complete.

## 5.0 CURRENT POSITION (CONTINUED)

5.8 In relation to Internal Audit follow up, there were no actions due for completion by 30 November 2021. 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 2021 there were no Internal Audit Reports reported to Inverclyde Council relevant to the IJB.

5.10 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.

### 5.11 NHSGGC - Internal Audit Progress Report Summary

Since the last Audit Committee meeting in September 2021, there were 3 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
Financial Systems Health Check – Procurement and Tendering	Substantial Improvement Required	-	3	4	-
HEPMA – Project Governance	Minor Improvement Required	-	-	2	-
Management Action Follow Up	N/A				
<b>Total</b>		-	<b>3</b>	<b>6</b>	-

(1) Areas for improvement were identified including: ensuring compliance with processes for both competitive and non-competitive tendering activity; improving arrangements for ensuring the completeness and accuracy of the contracts register; and refining processes for ensuring that procurement activity is subject to appropriate approval in line with the NHSGGC Scheme of Delegation. A new Head of Procurement started in July 2021 and progress has already started in addressing issues identified.

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.

## 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 30 NOVEMBER 2021**

**Summary: Section 1 Summary of Management Actions due for completion by 30/11/2021**

There were no actions due for completion by 30 November 2021.

**Section 2 Summary of Current Management Actions Plans at 30/11/2021**

At 30 November 2021 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 30/11/2021**

At 30 November 2021 there were 8 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 30 November 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 30.11.2021**

**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 30.11.2021**

**SECTION 2**

<b>Current Actions</b>	
Due for completion February 2022	1
Due for completion March 2022	2
Due for completion April 2022	1
Due for completion June 2022	2
Due for completion November 2022	2
<b>Total current actions:</b>	<b>8</b>

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

**CURRENT MANAGEMENT ACTIONS AS AT 30.11.2021**

**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></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>	<b>Interim Chief Officer IJB</b>	<b>31.03.2022</b>
<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>	<b>Chief Financial Officer</b>	<b>31.03.2022*</b>
<b>IJB Directions (July 2021)</b>		
<p><b>Reviewing Directions issued by Inverclyde Integration Joint Board (IJB) (Green)</b></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>	<b>Interim Chief Officer</b>	<b>30.06.2022</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**

**CURRENT MANAGEMENT ACTIONS AS AT 30.11.2021**

**SECTION 3**

<b>IJB Performance Management and Reporting Arrangements (July 2021)</b>		
<p><b>Reporting on progress with implementing the IJB's Strategic Plan (Amber)</b> Management will:</p> <ul style="list-style-type: none"> <li>• Incorporate the IJB annual Strategic Plan progress update within the Annual Performance Report (APR);</li> <li>• Incorporate "RAG" status and reinstate appropriate related coverage of issues and risks into the annual Strategic Plan progress update.</li> </ul>	<b>Head of Finance, Planning &amp; Resources</b>	<b>30.06.2022</b>
<p>Provide a mid-year (April to September) Strategic Plan progress report to IJB that includes RAG status and actions.</p>	<b>Head of Finance, Planning &amp; Resources</b>	<b>30.11.2022</b>
<p>Update the "Health &amp; Social Care" tab of Inverclyde Council's website to include the IJB's Strategic Plan and related documents</p>	<b>Head of Finance, Planning &amp; Resources</b>	<b>28.02.2022</b>
<p>Produce an "easy read" document which covers the progress being made with implementing the IJB's Strategic Plan and would accompany the Annual Performance report.</p>	<b>Head of Finance, Planning &amp; Resources</b>	<b>30.06.2022</b>
<p><b>Adequacy of the procedure for monitoring implementation of the IJB's Strategic Plan (Green)</b> Management will review and update the IJB Strategic Plan Standard Operating Procedure (SOP) to incorporate all recommendations from Internal Audit.</p>	<b>Head of Finance, Planning &amp; Resources</b>	<b>30.04.2022</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>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>	<p><b>30.09.20</b> <b>31.09.21</b></p>	<b>31.03.22</b>	<p>Postponed due to delay in revised integration Scheme GGC Board wide. Work has restarted on the schemes and aim to conclude 31 March 2022.</p>

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

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

**SECTION 5**

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 30 November 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
2021/2022	6	0	0	4	2
<b>Total</b>	<b>31</b>	<b>23</b>	<b>0</b>	<b>5</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.