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**To: Renfrewshire Integration Joint Board**

**On: 03 February 2017**

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**Report by: Chief Internal Auditor**

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**Heading: Internal Audit Progress and Performance to 31 December 2016**

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## **1. Summary**

- 1.1 A risk based Internal Audit Plan for 2016/17 was approved by the Integration Joint Board on 18 March 2016. This report provides the Renfrewshire Integration Joint Board's Audit Committee with an update on the progress of that Audit Plan.
- 1.2 The Renfrewshire Health and Social Care Integration Joint Board directs both Renfrewshire Council and NHS Greater Glasgow and Clyde to deliver services that enable the Renfrewshire Integration Joint Board to deliver on its strategic plan.
- 1.3 Both Renfrewshire Council and NHS Greater Glasgow and Clyde have Internal Audit functions that conduct audits across each organisation and report the findings of these to the respective audit committees.
- 1.4 Members of the Integration Joint Board have an interest in the outcomes of audits at both Renfrewshire Council and NHS Greater Glasgow and Clyde that have an impact upon the Integration Joint Board's ability to deliver the strategic plan.
- 1.5 This report also provides a summary to the Renfrewshire Integration Joint Board's Audit Committee of the Internal Audit activity at these organisations from 1 April 2016 to 30 December 2016.

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## **2. Recommendations**

- 2.1 That the Integration Joint Board Audit Committee are asked to note the content of the report.
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### 3. Progress on the IJB Audit Plan 2016/17

- 3.1 The Internal Audit Plan for 2016/17 provided for 35 days of internal audit resource, including assurance work, planning and reporting and time for ad-hoc advice. At 31 December 2016, total resources of 8.25 days have been delivered.
- 3.2 Planned reviews of the performance management framework in place to monitor progress of the strategic plan outcomes and the arrangements for monitoring the financial plan and managing the financial risks are currently on-going.

### 4. Renfrewshire Council Internal Audit Activity

- 4.1 In the period to 31 December 2016, the following Internal Audit reports have been issued to the Council, which are relevant to the Integration Joint Board.

Audit Engagement	Assurance Level (note 1)	Number and Priority of Recommendations (note 2)			
		A	B	C	I
Self Directed Support	Limited		5	1	
Employee Code of Conduct	Reasonable		3	1	1
Workforce Planning	Reasonable		1		
Financial Authorisation	Reasonable		4	4	1
Debt Management	Reasonable	1	4	4	2
Procurement / Creditors (Corporate Purchase Cards)	Reasonable	2	8	2	

Note 1 – For each audit engagement one of four assurance ratings is expressed:

Substantial Assurance – The control environment is satisfactory

Reasonable Assurance – Weaknesses have been identified, which are not critical to the overall operation of the area reviewed

Limited Assurance – Weaknesses have been identified, which impact on the overall operation of the area reviewed

No Assurance – Significant weaknesses have been identified, which critically impact on the operation of the area reviewed

Note 2 – Each audit recommendation is assigned a priority rating:

A = Critical Recommendation - Addresses a significant risk, impacting on the area under review

B = Important Recommendation – Implementation will raise the level of assurance provided by the control system to acceptable levels

C = Good Practice Recommendation – Implementation will contribute to the general effectiveness of control

I = Service Improvement – Implementation will improve the efficiency / housekeeping of the area under review

- 4.2 In relation to the review of self directed support which has been rated as a limited level of assurance. At the time of the review, the key risks related to the timeliness of annual financial assessments and financial reviews. Both were found to be significantly behind schedule. Management has agreed to implement the recommendations made.

### 5. NHS Greater Glasgow and Clyde Internal Audit Activity

- 5.1 In the period to 31 December 2016, the following Internal Audit reports have been issued to the NHS Grater Glasgow and Clyde, which are relevant to the Integration Joint Board.

Audit Review	Opinion (Note 3)	Number and Priority of Recommendations		
		High	Medium	Low
Risk Management Arrangements	Medium risk	-	3	1
Clinical Governance	High risk	-	6	1
Delayed Discharge: Use of additional funding	Low risk	-	2	-
Health & Social Care Partnerships: Governance Arrangements	Low risk	-	-	4
Waiting Times / TTG	High Risk	1	2	-
Key Financial Controls – Payroll	Medium Risk		3	2
Key Financial Controls - Accounts Payable	Low Risk		-	2
Key Financial Controls - General Ledger	Low Risk		-	1
Performance Monitoring and Reporting in	Low Risk		2	-



Acute Services				
Complaints Handling Procedures	Low Risk		1	3

Note 3

High risk indicates findings that could have a significant:  
impact on operational performance; or  
monetary or financial statement impact or  
breach in laws and regulations resulting in significant fines and consequences; or  
impact on the reputation or brand of the organisation.

Medium risk indicates findings that could have a moderate:  
impact on operational performance; or  
monetary or financial statement impact; or  
breach in laws and regulations resulting in fines and consequences; or  
impact on the reputation or brand of the organisation.

Low risk indicates findings that could have a minor:  
impact on the organisation's operational performance; or  
monetary or financial statement impact; or  
breach in laws and regulations with limited consequences; or  
impact on the reputation of the organisation.

- 5.1.1 Risk Management Arrangements** – There have been a number of initiatives undertaken by NHSGGC to address the recommendations made in the previous audit report on Risk Management. However, medium risk issues were identified that are limiting the effectiveness of the actions taken to date: non-attendance at the Risk Management Steering Group of key stakeholders from Acute services; the absence of a clear plan to fully roll out Datix in all NHSGGC areas; and the absence of training or communication plans to support the revised RM Strategy and Policy.
- 5.1.2 Clinical Governance** - This was a follow up review following a report in May 2015 on Clinical Governance. The internal auditors found that progress against Phase 1 of each action was near completion. They also noted continuance of good practice during the review of clinical governance arrangements within Acute Services Division. However, the implementation of four original medium risk actions remain ongoing. The actions relate to: (i) procedural/guidance documents, (ii) divisional level governance groups, (iii) child protection reporting and (iv) recommendations from an enquiry including knowledge sharing arrangements. In addition two new medium risk findings were also identified relating to improvements to the clinical risk management framework; and an absence of assurance to NHSGGC of the steps to be taken by the IJBs to meet the statutory requirement to be operational by 1 April 2016.
- 5.1.3 Waiting Times** – The Internal Auditors found that NHSGGC works proactively and has very detailed, timely and granular information which is available to those who make the operational and management decisions to manage waiting and treatment times. However, as at August 2016 there is a continued deterioration in performance against targets. The main weakness identified by the Auditors was in respect of recovery plans which are required to address waiting list issues. Improvements were identified in relation to monitoring agreed actions arising from the previous internal audit report. Furthermore, while capacity planning is taking place, it was identified that there is no guidance provided as to how often capacity plans should be reviewed and revised.
- 5.1.4 Payroll** – The Internal Auditors identified that two medium risk findings remain open from their 2015/2016 Payroll review (i) Transfer of date from the Bank Staff Management System (BSMS) to the Scottish Standard Time System (SSTS), reliance is still placed on manual input of data to SSTS; (ii) Selection of staff in BSMS, staff are not booked to bank shifts using a unique identifier which presents the risk that the wrong staff member is paid. One additional medium risk was identified during the



review in relation to certain staff having the functionality to schedule and approve their own shift.

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### **Implications of the Report**

1. **Financial** - none.
  2. **HR & Organisational Development** - none.
  3. **Community Planning** - none.
  4. **Legal** - none.
  5. **Property/Assets** - none.
  6. **Information Technology** - none.
  7. **Equality & Human Rights** - none
  8. **Health & Safety** - none.
  9. **Procurement** - none.
  10. **Risk** - The subject matter of this report is the progress of the risk based Audit Plan's for the IJB, and those reports relating to Renfrewshire Council and NHSGGC in which the IJB would have an interest.
  11. **Privacy Impact** - none.
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**List of Background Papers** – none.

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