
To: Renfrewshire Health and Social Care Integration Joint Board Audit Committee

On: 28 June 2019

Report by: Chief Internal Auditor

Heading: Summary of Internal Audit Reports

1. Summary

- 1.1 A risk based Internal Audit Plan for 2018/19 was approved by the IJB Audit Committee on 26 January 2018. In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board. All planned reviews have been completed.
 - 1.2 Appendix 1 provides details those audit engagements completed during the period 19 May 2018 to 10 June 2019 with the overall assurance rating and the number of recommendations in each risk category. The committee summary for each report is also attached. For each audit assignment where recommendations have been made, the relevant managers have put action plans in place to address the issues raised.
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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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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 for the IJB.
 11. **Privacy Impact** - none.
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List of Background Papers – none.

Author: Karen Campbell, Asst Chief Internal Auditor

Appendix 1

Integration Joint Board Audit Committee

Internal Audit Service

Summary of Final Audit Reports Issued

Engagement	Assurance Rating (note 1)	Recommendation Ratings			
		Critical	Important	Good Practice	Service Improvement
Governance Arrangements	Reasonable	0	2	1	0
Local Code of Corporate Governance	Reasonable	0	0	1	0

Assurance Level	
Substantial Assurance	<ul style="list-style-type: none"> There is a sound system of internal control designed to achieve the objectives of the area being reviewed. The control processes tested are being consistently applied.
Reasonable Assurance	<ul style="list-style-type: none"> The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.
Limited Assurance	<ul style="list-style-type: none"> Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk. The level of non-compliance puts the objectives of the area being reviewed at risk.
No Assurance	<ul style="list-style-type: none"> Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed. Significant non-compliance with control processes leaves the processes/systems open to error or abuse.

Recommendation Rating	
Service Improvement	Implementation will improve the efficiency / housekeeping of the area under review.
Good Practice	Implementation will contribute to the general effectiveness of control.
Important	Implementation will raise the level of assurance provided by the control system to acceptable levels.
Critical	Addresses a significant risk, impacting on the objectives of the area under review.

Internal Audit Report

IJB

Governance Arrangements (B0017/2019/001)

Date: June 2019

COMMITTEE SUMMARY

Audit Objectives

The objectives of the review were to ensure that: -

1. Roles and responsibilities for governance are clear and documented in the Boards Terms of Reference, Scheme of Delegation and Financial Regulations.
2. Adequate governance arrangements are in place, regularly reviewed, updated and reflect current practice.
3. Effective governance arrangements are in place to focus on the outcomes for the service users and stakeholders, including stakeholder engagement and public accountability.
4. The governance arrangements in place demonstrate compliance with all statutes and applicable regulations.
5. Effective board arrangements are in place and meetings are held with the required frequency.

Audit Scope

1. Obtained copies of the governance documents outlined above and reviewed these for clarity, alignment to current practices and the adequacy of the review regime.
2. Assessed the effectiveness of the governance arrangements in terms of stakeholder outcomes, compliance with statutory and regulatory duties and board arrangements in order meet the above objectives.

Key Audit Assurances

1. The roles and responsibilities for governance are clear and documented in the appropriate documents.
2. Adequate and effective governance arrangements are in place that demonstrate compliance with relevant statutes and regulations and ensure public accountability.
3. Board meetings are held with the required frequency.

Key Risks

There is no process in place to determine the effectiveness of the audit committee or to report on the work that they do and therefore there is no measure of the contribution the audit committee makes to the IJB or to identify any weaknesses that should be addressed.

Internal Audit Report

IJB

Governance Arrangements (B0017/2019/001)

Date: June 2019

Overall Audit Opinion
In general, the governance arrangements in place within the IJB are operating satisfactorily. However, the audit identified areas where the effectiveness of the Audit Committee could be increased and accordingly recommendations have been made to improve governance in this area. The auditor has therefore made a provision of reasonable assurance.

Management Commentary
Management have agreed to review the terms of the Audit Committee in conjunction with the Chief Internal Auditor and the Chair of the Audit Committee

Internal Audit Report

IJB

Corporate Governance Code (B0017/2019/002)

Date: May 2019

COMMITTEE SUMMARY

Audit Objectives

The objective of the audit was to ensure that there is sufficient evidence held by the IJB to demonstrate compliance with the Local Code of Corporate Governance.

Audit Scope

1. Obtained a copy of the IJB's 'Sources of Assurance' template approved by the IJB Audit Committee in January 2018 which lists the evidence available to support compliance with each principle of the Local Code of Corporate Governance.
2. Obtained a copy of the CIPFA/SOLACE document entitled, 'Delivering Good Governance' and carried out testing to ascertain the level of compliance by comparing the evidence available per the IJB, 'Sources of Assurance' template against the requirements of the Code.

Key Audit Assurances

Evidence was available to support the IJB's compliance with some of the behaviours and actions linked to the sub-principles within the Local Code of Corporate Governance.

Key Risks

There are no key risks to report in relation to the IJB's demonstration of compliance with the Local Code of Corporate Governance.

Overall Audit Opinion

It was noted that in its current format, The Local Code and Sources of Assurance is not fully aligned with the CIPFA/SOLACE document entitled, 'Delivering Good Governance' and there is some disparity between the suggested evidence and the actual evidence available to support compliance as was reported by Internal Audit last year. Nonetheless, the auditor has made a provision of reasonable assurance in this area. Following recommendations made as a result of the 2018 audit entitled, 'IJB Corporate Governance Code', the current version of the The Local Code and Sources of Assurance has been updated by the Head of Administration and will be presented to the IJB for their approval in March 2019. Consequently, this will assist members to easily identify the level of compliance with the code for each individual element and to note the parity between expected and actual evidence available to support compliance.

Internal Audit Report IJB

Corporate Governance Code (B0017/2019/002)

Date: May 2019

Management Commentary
Management have stated that the required evidence will be made available for future audits