

Notice of Meeting and Agenda Renfrewshire Health and Social Care Integration Joint Board Audit Committee

Date	Time	Venue
Friday, 28 June 2019	09:00	Abercorn Conference Centre, Renfrew Road, Paisley, PA3 4DR

KENNETH GRAHAM
Clerk

Membership

Councillor Lisa-Marie Hughes: Dorothy McErlean: Alan McNiven: David Wylie

Councillor Lisa-Marie Hughes (Chair)

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

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|----------|---|----------------|
| 1 | Minute | 1 - 6 |
| | Minute of meeting of the Integration Joint Board Audit Committee held on 25 January 2019. | |
| 2 | Internal Audit Annual Report 2018/19 | 7 - 20 |
| | Report by Chief Internal Auditor. | |
| 3 | Summary of Internal Audit Reports | 21 - 28 |
| | Report by Chief Internal Auditor. | |
| 4 | Proposed Dates of Meetings of the IJB Audit Committee 2019/20 | 29 - 30 |
| | Report by Clerk. | |



Minute of Meeting

Renfrewshire Health and Social Care Integration Joint Board Audit Committee

Date	Time	Venue
Friday, 25 January 2019	09:00	Abercorn Conference Centre, Renfrew Road, Paisley, PA3 4DR

Present

Councillor Lisa-Marie Hughes and Councillor Scott Kerr (Renfrewshire Council); Morag Brown and Dorothy McErlean (both Greater Glasgow & Clyde Health Board); and Alan McNiven (third sector representative).

Chair

Councillor Lisa-Marie Hughes, Chair, presided.

In Attendance

Lynn Mitchell, Managing Solicitor (Contracts & Conveyancing), Andrea McMahon, Chief Internal Auditor, and Elaine Currie, Senior Committee Services Officer (all Renfrewshire Council); David Leese, Chief Officer, Sarah Lavers, Chief Finance Officer, Jean Still, Head of Administration and James Higgins, Project Officer (all Renfrewshire Health and Social Care Partnership); and John Cornett, Audit Director and Mark Ferris, Senior Audit Manager (both Audit Scotland).

Apology

David Wylie (Health Board staff member involved in service provision).

Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

Additional Item

The Chair intimated that there was an additional item of business in relation to Capability Scotland which had not been included in the notice calling the meeting. The Chair, being of the opinion that the item which is dealt with at item 2 below, was urgent in view of the need to advise members of the position, authorised its consideration.

1 Minute

The Minute of the meeting of the Integration Joint Board (IJB) Audit Committee held on 14 September 2018 was submitted.

DECIDED: That the Minute be approved.

2 Capability Scotland

Under reference to item 3 of the Minute of the meeting of this IJB Audit Committee held on 26 January 2018 the Chair advised that she had had discussions with the Chief Internal Auditor and the Chief Finance Officer regarding scope for the Chief Internal Auditor undertaking an independent audit into the process following Capability Scotland's decision to cease provision of the day care services it operated, on behalf of the Renfrewshire Health and Social Care Partnership, at Whitehaugh, Paisley and West Lane Gardens, Johnstone. The Chair further advised that following these discussions she accepted the opinion of the Auditor that there was no scope for the Chief Internal Auditor to undertake such an audit.

The Chief Internal Auditor advised that it was not her role to audit the partner organisations of the IJB in her capacity as the Chief Internal Auditor for the IJB. She further advised that in her capacity as Chief Auditor of Renfrewshire Council she was of the opinion that there was no suggestion of any wrong doing and that she had taken some comfort from the fact that the IJB had received regular updates from the Chief Officer. As this was not a significant risk to Renfrewshire Council there was no scope to use resources which had already been assigned to other audit areas in Renfrewshire Council's audit plan.

The Chief Officer advised that there was ongoing review of the way the HSCP worked with service users. The assessment process had been led by a professional organisation and no service user had lost any service or suffered any diminution of service throughout the process.

Some members expressed concern that there would be no audit undertaken or review in place which would give assurance to the public and that, in their opinion, this would inflame local opinions and the public perception would be that the IJB were not doing what it said it would do.

The Chair further advised that she had discussed this matter with the Head of Mental Health, Addictions & Learning Disability Services and proposed that she undertake a reflective exercise and submit a report on her findings to a future meeting of the IJB Audit Committee. The Chief Finance Officer proposed that the Contracts Manager also be involved in this process.

It was noted that the only process on offer to the IJB Audit Committee was that the Head of Mental Health, Addictions & Learning Disability Services and the Contracts Manager undertake a reflective exercise and submit their findings to a future meeting of the IJB Audit Committee.

Morag Brown advised that her fundamental concern was that there was a reputational risk to the IJB and regretted the fact that the scope of this audit was not a priority for the Chief Auditor, Renfrewshire Council. Morag further advised that whilst she was in agreement with the Head of Mental Health, Addictions & Learning Disability Services and the Contracts Manager undertaking a reflective exercise, her preference would still be that the Chief Internal Auditor meet with members of the Audit Committee to establish the scope of an independent audit and thereafter the Chief Internal Auditor advise the Audit Committee of the audit process.

Morag requested that her dissent be recorded in the Minute and this was agreed.

DECIDED: That the Head of Mental Health, Addictions & Learning Disability Services and the Contracts Manager undertake a reflective exercise and submit their findings to a future meeting of the IJB Audit Committee.

3 Internal Audit Plan 2018/19 - Progress

Under reference to item 2 of the Minute of the meeting of the IJB Audit Committee held on 14 September 2018, the Chief Internal Auditor, Renfrewshire Council, submitted a report providing an update on the progress of the internal audit plan for 2018/19, a copy of which formed the appendix to the report.

The plan set out a resource requirement of 35 days, including assurance work, time for follow-up of previous recommendations, ad-hoc advice and planning and reporting.

The report intimated that the assurance engagement to review the governance arrangements for the IJB was currently ongoing and that the agreed review of the adequacy and compliance with the Local Code of Corporate Governance would commence in this current quarter.

It was noted that time for planning and reporting had been used for annual reporting on the 2017/18 annual audit plan, reviewing the IJB internal audit reporting arrangements and reporting on specific audit engagements. Training briefings had also been presented to members of the IJB Audit Committee on audit and risk related topics.

The report highlighted that all critical recommendations identified as part of the annual follow-up exercise must be supported by evidence to demonstrate that they had been implemented. The Chief Internal Auditor would report details of outstanding critical recommendations to the IJB Audit Committee on conclusion of the annual follow-up exercise.

DECIDED: That the progress against the internal audit plan for 2018/19 be noted.

4 Audit Scotland Annual Audit Plan 2018/19

The Chief Finance Officer submitted a report relative to the annual audit plan 2018/19 for the IJB which outlined Audit Scotland's planned activities in their audit for the 2018/19 financial year.

The report highlighted that the annual audit plan 2018/19 included a section on Audit Issues and Risks and that within this section Audit Scotland had identified a risk of 'management override of controls'. This risk had been included in the audit plans of all bodies which Audit Scotland worked with, in light of updated international standards on auditing. The inclusion of this risk was not a reflection of increased risk within the Joint Board and Audit Scotland had confirmed that they had not found any issues on this in previous years.

DECIDED: That Audit Scotland's annual audit plan 2018/19 be noted.

5 Annual Internal Audit Plan 2019/20

The Chief Internal Auditor submitted a report relative to the annual internal audit plan for 2019/20, a copy of which formed the appendix to the report.

The report intimated that, in line with the requirements of the Public Sector Internal Audit Standards, a risk-based internal audit plan for 2019/20 had been developed which set out a resource requirement of 35 days, including assurance work, time for follow-up of previous recommendations, ad-hoc advice and planning and reporting.

The allocation of internal audit resources was sufficient to allow emerging priorities and provided adequate coverage of governance, risk management and internal control to inform the annual assurance statement.

The audit plan might be subject to amendment during the course of the year due to the emergence of issues of greater priority or other unforeseen circumstances and any change would be reported to the IJB Audit Committee.

The NHS Greater Glasgow and Clyde Strategic Internal Audit Plan 2018/19 to 2020/21, which had been approved by their Audit and Risk Committee in September 2018, was tabled at the meeting.

DECIDED:

- (a) That the internal audit plan for 2019/20 be approved;
- (b) That the content of the NHS Greater Glasgow and Clyde Strategic Internal Audit Plan 2018/19 to 2020/21 be noted; and
- (c) That it be noted that the internal audit plan for 2019/20 would be shared with Renfrewshire Council and NHSGG&C.

6 Integration Joint Board and Health and Social Care Partnership Risk Registers

The Chief Officer submitted a report providing an update on the status of the risk registers currently being maintained by Renfrewshire Health and Social Care Partnership (HSCP).

The IJB risk register, which formed Appendix 1 to the report, noted risks specifically relating to the IJB in respect of financial sustainability and accountability for delivery of the strategic plan. There were four live risks, two with a high-risk level and two with a moderate-risk level.

The HCSP risk register, which formed Appendix 2 to the report, was maintained, updated and reported in line with the expectations of both NHSGG&C and Renfrewshire Council. There were 13 live risks, eight with a high-risk level and five with a moderate-risk level.

It was proposed that in future editions of the risk registers, information be included around control measures for reputation risk to the IJB; Brexit and the risks around working as part of two organisations; and settled status; that the IJB risk register be approved; and that the HSCP risk register be noted. This was agreed.

DECIDED:

- (a) That in future editions of the risk registers, information be included around control measures for reputation risk to the IJB; Brexit and the risks around working as part of two organisations; and settled status;
- (b) That the IJB risk register be approved; and
- (c) That the HSCP risk register be noted.

7 Local Code and Sources of Assurance for Governance Arrangements

Under reference to item 5 of the Minute of the meeting of the IJB Audit Committee held on 26 January 2018 the Head of Administration submitted a report seeking approval of an updated Local Code and Sources of Assurance for Governance Arrangements, a copy of which was appended to the report.

The report intimated that the IJB operated through a governance framework based on legislative requirement, governance principles and management processes and that the IJB worked to ensure that its governance arrangements were robust and based on good practice. The Local Code included identified sources of assurance which enabled the IJB Audit Committee to review and assess its governance arrangements against which it would measure itself in Annual Governance Statements from 2018/19 onwards.

It was noted that the review of the Local Code of Governance Arrangements and scrutiny of the outcome of that review in the 2018/19 Annual Governance Statement would be carried out by the IJB Audit Committee in advance of being presented to the IJB for approval.

The Head of Administration advised that the Chief Internal Auditor had requested that information be added to the Local Code and Sources of Assurance around financial statements; workforce planning; and standing orders.

It was proposed that information be added to the Local Code and Sources of Assurance around financial statements; workforce planning; and standing orders and that subject to the additional information being added the updated Local Code and Sources of Assurance be approved and submitted to the IJB.

DECIDED:

- (a) That information be added to the Local Code and Sources of Assurance around financial statements; workforce planning; and standing orders; and

(b) That, subject to the additional information being added, the updated Local Code and Sources of Assurance be approved and submitted to the IJB.

8 Training for Audit Committee Members

Under reference to item 4 of the Minute of the meeting of the IJB Audit Committee held on 14 September 2018, the Chief Internal Auditor submitted a report relative to training for IJB Audit Committee members.

Appendix 1 to the report detailed the programme of training briefings agreed at the meeting of the IJB Audit Committee held on 29 June 2018.

Appendix 2 to the report, which was tabled at the meeting, provided an outline of the briefing to be delivered on the role of internal audit, which was the final briefing on the current briefing programme. The Chief Internal Auditor delivered her presentation to members.

DECIDED:

(a) That the content of the briefing on the role of internal audit be noted; and

(b) That members of the IJB Audit Committee consider future topics for inclusion on the briefing programme 2019/20.

9 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the IJB Audit Committee would be held at 9.00 am on 28 June 2019 in the Abercorn Conference Centre, Renfrew Road, Paisley.

Valedictory

The Chair advised that this was Morag Brown's last IJB Audit Committee before she stood down as a non-executive member of the NHSGG&C Board. Members thanked Morag for her contribution to the IJB and the IJB Audit Committee.

To: Renfrewshire Health and Social Care Audit Committee

On: 28 June 2019

Report by: Chief Internal Auditor

Heading: Internal Audit Annual Report 2018/2019

1. Summary

- 1.1 The Public Sector Internal Audit Standards (PSIAS) requires that the Chief Internal Auditor must deliver an annual internal audit opinion, on the overall adequacy and effectiveness of the internal control environment; that can be used by the organisation to inform its governance statement. The purpose of this report is to advise the Audit Committee of the Chief Internal Auditor's Internal Audit Annual Report and the annual internal audit opinion.
- 1.2 The Internal Audit Annual Report outlines the internal audit work we have carried out for the year ended 31 March 2019. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 1.3 The report attached, at Appendix 1, includes the Chief Internal Auditor's independent and objective opinion as to the adequacy and effectiveness of the internal control environment. In forming the opinion, the Chief Internal Auditor has conducted a review of the Internal Audit reports issued to the IJB in the year and the internal audit annual reports from the partner organisations.

2. Recommendations

- 2.1 That the Audit Committee notes the content of the IJB's Internal Audit Annual Report for 2018/2019.
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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 report provides an opinion on the overall internal control environment including governance and risk management of the Integration Joint Board.
 11. **Privacy Impact** - none.
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List of Background Papers – none.

Author: Andrea McMahon, Chief Internal Auditor

Renfrewshire Health and Social Care Integration Joint Board

Internal Audit Annual Report 2018-2019

June 2019

Renfrewshire Health and Social Care Integration Joint Board

Internal Audit Annual Report 2018/2019

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Renfrewshire Health and Social Care Integration Joint Board

Internal Audit Annual Report

1 April 2018 – 31 March 2019

1. Introduction

- 1.1 Renfrewshire Council provides an internal audit service to the Renfrewshire Health and Social Care Integration Joint Board (IJB). This includes:
- The compilation of an annual audit plan following consideration and evaluation of those areas of greatest risk in the organisation's operation, and consultation with the Chief Officer;
 - Delivery of the planned audit assignments;
 - Follow up of previous audit recommendations;
 - Provision of any ongoing advice support and training on audit and risk related matters;
 - Provision of an Annual Report and Assurance Statement to the IJB Audit Committee.
- 1.2 The Service operates in accordance with the Public Sector Internal Audit Standards which defines Internal Audit's role as:
- ".....an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."
- 1.3 In line with the Standards, the purpose of this Annual Report is to report on:
- The outcome of the planned Internal Audit reviews 2018/19 relating to the IJB;
 - The outcome of Internal Audit reviews of supporting Renfrewshire Council corporate systems;
 - Internal audit performance;
 - Planned audit work for 2019/20;
 - The annual assurance statement which provides an opinion on the overall adequacy and effectiveness of the IJB's internal control environment.
- 1.4 The operational delivery of services within the Health Board and Local Authority on behalf of the Integration Joint Board will be covered by their respective internal audit arrangements. In concluding on the overall opinion, the Chief Internal Auditor has conducted a review of the Internal Audit reports issued to the IJB in the year and the internal audit annual reports from Renfrewshire Council and NHS Greater Glasgow and Clyde.

2. Responsibilities of Management and Internal Audit

- 2.1 It is the responsibility of management to ensure that the areas under their control are adequate and effective and that there is a sound system of internal control which facilitates the effective exercise of the organisation's functions and which includes arrangements for the management of risk.
- 2.2 Internal Audit is not a substitute for effective control exercised by management as part of their responsibilities. Internal Audit's role is to independently assess the adequacy of the risk management, internal controls and governance arrangements put in place by management and to undertake sufficient work to evaluate and conclude on the adequacy of those controls for the period under review.

3. Internal Audit Activity during 2018/2019

- 3.1 The Internal Audit Plan for the IJB for 2018/2019 provided for a review focused on governance arrangements and the annual review of the adequacy and compliance with the Local Code of Corporate Governance.
- 3.2 Appendix 1 details the assurances arising from the internal audit work carried out in line with the 2018/19 audit plan and relevant engagements undertaken by the partner internal audit functions. These completed engagements have been reported to the Audit Committee throughout the year and support the annual assurance statement.
- 3.3 The Annual Report for 2017/2018 was submitted to the IJB Audit Committee on 29 June 2018.
- 3.4 The implementation rate of audit recommendations is a measure of operational culture and effectiveness. During 2018/19, 6 recommendations were followed up and confirmed as implemented.

4. Review of Internal Audit Performance

- 4.1 Internal Audit produces regular reports on its performance during the year to Renfrewshire Council's Audit, Risk and Scrutiny Board, against a range of measures set annually by Renfrewshire Council's Director of Finance and Resources. These targets are set for all internal audit engagements and include Renfrewshire Council and other associated bodies, for which the team provides internal audit services. Table 1 shows the actual performance against targeted performance for the year.

Table 1

Internal Audit Performance 2018/19

Performance measure	Target 2018/19	Actual 2018/19
% of audit assignments completed by target date	95%	98.8%
% of audit assignments completed within time budget	95%	96.4%
% completion of audit plan for the year*	95%	95.6%

* this measures the completion percentage as at 31 March. 100% of the plan is ultimately delivered through the finalisation of the outstanding elements in the new financial year.

4.2 Actual performance for the year, is above the target performance level. All IJB specific audit engagements have now been completed.

4.3 The Chief Auditor is required to develop and maintain a quality assurance and improvement programme that covers all aspects of internal audit including conformance with the PSIAS. All actions arising from the external quality assessment have been completed during 2018/19.

4.4 External Audit

External Audit's review of the internal audit service concluded that overall the service operates in accordance with the PSIAS.

5. Planned Work for 2019/20

5.1 Following a risk-based assessment of the activities of the IJB and consultation with the Chief Officer and Chief Financial Officer, the Internal Audit Plan for 2019/2020 provides for 35 days of Internal Audit resource to undertake:

- A review of the arrangements in place for the integration of specific services; and
- The annual review of the adequacy and effectiveness of the Local Code of Corporate Governance.

The plan also provides time for planning and reporting, follow up on previous recommendations, ad-hoc advice and consultancy. The Internal Audit Plan for 2019/2020 was approved by the IJB on 25 January 2019.

6. Audit Assurance Statement

- 6.1 The audit work performed in relation to the 2018/19 internal audit plan has been reported to the Chief Officer. Relevant audit work undertaken by partner organisations has been reported to the Audit Committee. Where areas for improvement in internal control have been identified appropriate recommendations have been made, and accepted for action by management.
- 6.2 Some matters have been identified in relation to the internal control, risk management and governance arrangements within the partner organisations and these have been recommended by the respective Chief Internal Auditors for inclusion in the partner governance statements. There are no significant matters arising in relation to those audit engagements specific to the IJB.
- 6.3 It is not feasible for the system of internal control to be without any weakness. It is important to balance the risks involved in accepting systems limitations with the consequences if a problem emerges. Internal Audit recognises this and assesses this in its reporting mechanism.
- 6.4 In this context, it is considered that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the IJB's internal control, risk management and governance arrangements, as evidenced by:-
- The results of the audit work in 2018/19 and the opinion's contained in the Internal Audit Annual Reports of the Health Board and the Local Authority.
 - Management self-assessment of internal control, risk management and governance arrangements.
 - Management action to respond to audit recommendations.

Signed

Chief Internal Auditor

Date

Appendix 1

Summary of Internal Audit Assurances for the IJB and partner organisations Renfrewshire Council and NHS Greater Glasgow and Clyde

Integration Joint Board		
Audit Engagement	Assurance Level	Significant Matters
Governance Arrangements	Reasonable	<ul style="list-style-type: none"> None
Local Code of Corporate Governance	Reasonable	<ul style="list-style-type: none"> None
Renfrewshire Council		
Audit Engagement	Assurance Level	Significant Matters
Payroll - Salary Sacrifice Schemes	Limited	<ul style="list-style-type: none"> The audit identified a lack of controls specifically in relation to suspense account reconciliations and processes when employees terminate their employment or leave salary sacrifice schemes.
Client Charges – Financial Accounting Arrangements	Substantial	<ul style="list-style-type: none"> None.
Energy Management	Reasonable	<ul style="list-style-type: none"> None
Payroll	Reasonable	<ul style="list-style-type: none"> The audit identified that reasonable procedures are in place for employee new starts and terminations. Appropriate segregation of duties and independent checks are in place. Some issues were identified in relation to service departments not notifying payroll services on time to effect correct payments to some employees, this issue is known to management.
GDPR	Substantial	<ul style="list-style-type: none"> None
Key Financial Controls	Reasonable	<ul style="list-style-type: none"> The audit identified that debtors and creditors invoices were raised correctly but were delayed in being issued/paid on some occasions. Recommendations were made in the report to address issues with feeders not being reconciled to the Business World ledger and suspense accounts not being cleared. If implemented, these will help strengthen the controls in place.
Members Expenses	Reasonable	<ul style="list-style-type: none"> None

Home Care – Contract Management	Substantial	<ul style="list-style-type: none"> None
NHS Greater Glasgow and Clyde		
Audit Engagement	Overall Audit Rating	Significant Matters
Outpatient Capacity Planning	Minor Improvement Required	<ul style="list-style-type: none"> None
Performance Reporting	Substantial Improvement Required	<ul style="list-style-type: none"> NHSGGC should develop a performance management framework that describes how performance against all corporate objectives will be measured and reported. NHSGGC should develop a fully integrated performance report for their Board summarising performance against each objective and all strategic KPIs. Where objectives are behind schedule, the report should clearly outline why, detail the mitigating actions being taken and confirm the revised implementation date.
Financial Systems Health Check	Minor Improvement Required	<ul style="list-style-type: none"> None
Financial Improvement Programme	Minor Improvement Required	<ul style="list-style-type: none"> None
Payroll	Substantial Improvement Required	<ul style="list-style-type: none"> From a sample of on-call supplements paid staff during financial year 2018/19, 4 instances were identified where they were paid a supplement rate in excess of the on-call duties outlined within their rotas. Some payments to bank staff were not approved and processed within the required timescales.
Hospital Standard Mortality Ratios	Minor Improvement Required	<ul style="list-style-type: none"> None
Review of Patient Results	N/A	<ul style="list-style-type: none"> None
Sickness Absence	Substantial Improvement Required	<ul style="list-style-type: none"> Sample testing identified inconsistent adherence to documented processes for managing employee absence. There was ineffective monitoring of recurring and long-term absences due to lack of formal guidance to staff. Staff make use of non-specific

		<p>absence cause codes, resulting in poor quality data for the purposes of absence monitoring and trend analysis.</p> <ul style="list-style-type: none"> • There was a lack of engagement with iMatter, meaning issues contributing to absences are not identified and addressed as a means of lowering sickness absence rates. • HR initiatives aimed at promoting attendance are not consistently planned and monitored as a means of ensuring their successful and effective implementation.
Other Leave	Minor Improvement Required	<ul style="list-style-type: none"> • None
Nurse Rostering	Minor Improvement Required	<ul style="list-style-type: none"> • Sample testing of the quarterly reviews of ward/area rosters were not consistently carried out, in line with the requirements of the Nursing and Midwifery Rostering Policy.
GDPR Compliance	Minor Improvement Required	<ul style="list-style-type: none"> • The Information Governance Steering Group and the Audit and Risk Committee may not have adequate and sufficient assurance that NHSGCC is GDPR compliant at a local level
Digital Strategy	Minor Improvement Required	<ul style="list-style-type: none"> • None
Information Sharing	Minor Improvement Required	<ul style="list-style-type: none"> • None
Governance Statement Readiness	Effective	<ul style="list-style-type: none"> • None
Waiting Times Audit	Effective	<ul style="list-style-type: none"> • None
Property Transactions Monitoring	Minor Improvement Required	<ul style="list-style-type: none"> • None

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.

2. Recommendations

- 2.1 That the Integration Joint Board Audit Committee are asked to note the content of the report.

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.
-

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
<p>The objectives of the review were to ensure that: -</p> <ol style="list-style-type: none"> 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
<ol style="list-style-type: none"> 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
<ol style="list-style-type: none"> 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
<p>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.</p>

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

To: Renfrewshire Integration Joint Board Audit Committee

On: 28 June 2019

Report by: Clerk

Heading: Proposed Dates of Meetings of the IJB Audit Committee 2019/20

1. Summary

1.1 At the meeting of the IJB Audit Committee held on 29 June 2018 the timetable for future meetings of the IJB Audit Committee to June 2019 was approved. It is proposed that the Audit Committee consider its timetable of meeting dates in 2019/20.

1.2 Arrangements for meetings of the Audit Committee are governed by the provisions of Standing Order 5.1 of the Audit Committee's Terms of Reference and Procedural Standing Orders which state that:-

“5.1 The Audit Committee shall meet at least three times per year.”

1.3 The suggested dates and times are set out below, with meetings being held on Fridays at 9.00 am prior to meetings of the IJB:

20 September 2019

31 January 2020

26 June 2020.

1.4 It is proposed that meetings of the Audit Committee are held in the Abercorn Conference Centre, Renfrew Road, Paisley, unless that venue is unavailable or unsuitable, in which case it be delegated to the Clerk and Chief Officer, in consultation with the Chair, to determine an alternative venue.

1.5 A further report will be presented to the IJB Audit Committee in due course to agree meetings post June 2020.

2. Recommendations

2.1 That the IJB Audit Committee approve the dates and times of meetings for 2019/20 as detailed in section 1.3 of the report; and

2.2 That meetings of the IJB Audit Committee be held in the Abercorn Conference Centre, Renfrew Road, Paisley, unless that venue is unavailable or unsuitable, in which case it be delegated to the Clerk and Chief Officer, in consultation with the Chair, to determine an alternative venue.

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** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the website.
 8. **Health & Safety** - none.
 9. **Procurement** - none.
 10. **Risk** - none.
 11. **Privacy Impact** - none.
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List of Background Papers – none.

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