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

On: 18 September 2023

Report by: Chief Internal Auditor

Heading: Summary of Internal Audit Reports

1. Summary

- 1.1 A risk based Internal Audit Plan for 2022/23 was approved by the IJB Audit Committee on 18 March 2022. In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board.
- 1.2 Appendix 1 provides details of the completed audit engagement of risk management with the overall assurance rating and the number of recommendations in each risk category. The committee summary is also attached at Appendix 2.

2. Recommendations

- 2.1 That the Integration Joint Board Audit, Risk and Scrutiny 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: Andrea McMahon, Chief Internal Auditor

Appendix 1

Integration Joint Board Audit, Risk and Scrutiny Committee

Internal Audit Service

Summary of Final Audit Reports Issued

Engagement	Assurance Rating (note 1)	Recommendation Ratings			
		Critical	Important	Good Practice	Service Improvement
Risk Management	Reasonable	0	2	5	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.

Appendix 2

Internal Audit Report INTEGRATION JOINT BOARD IJB – Risk Management (B0017/2023/002) Date: July 2023

COMMITTEE SUMMARY

Audit Objectives
<p>The objectives of the review were to ensure that the following are in place and operating effectively:</p> <ul style="list-style-type: none">• An appropriate risk management policy which clearly sets out roles and responsibilities and the IJB's risk appetite and is supported by comprehensive procedures;• Arrangements for identifying risks;• Arrangements for ensuring that risk management is linked to the business planning process;• Arrangements for documenting risks on a risk register;• Risk prioritisation and scoring methodology;• Risk mitigation/treatment;• Arrangements for escalating risks, if necessary;• Reviewing, monitoring and reporting arrangements; and• Assurance providing activities.

Audit Scope
<ol style="list-style-type: none">1. Checked that there were sufficient procedures in place to ensure adequate management of the IJB's risks2. Checked that these procedures were being adhered to i.e. roles and responsibilities set out, risk registers maintained and appropriate monitoring and reporting in place.

Key Audit Assurances
<ul style="list-style-type: none">• The IJB has a robust Risk Management Policy and Strategy in place with appropriate supporting frameworks which are made available via the Health and Social Care Partnership website.• There is a defined approach to identifying risks via the operational areas which includes discussion within the Risk Network and horizon scanning following media reports and union updates.• Risks on the IJB strategic risk register are clearly linked to the five key themes set out within the strategic plan. There are also links to the medium-term financial plan and workforce plan.

Key Risks

- The IJB has not clearly defined its risk appetite for different categories of risk, specifically opportunity related risks and risks outwith their control. This could result in a lack of clarity regarding the degree of risk the IJB is willing to accept when deciding upon a course of action.
- The IJB may not be able to demonstrate that risks mitigation is effective, as assurance sources are not clearly linked and recorded on the risk register.

Overall Audit Opinion

Generally, the IJB has developed robust risk management processes at a strategic level. However, we identified some areas for improvement relating to risk appetite and sources of assurance. The auditor has made recommendations to address these, and other minor house-keeping issues to ensure compliance with recommended best practice in this area.

Management Commentary

In relation to the risk areas identified above, an IJB development session will be undertaken to agree IJB's risk appetite position with IJB members. A review will also be undertaken of the linkages between the risk registers and the sources of assurance to develop an updated statement clarifying how each source of assurance is complementary and supports IJB oversight.

in response to the audit findings, the HSCP has confirmed that the IJB's Risk Management Policy and Strategy will be reviewed and updated to reflect the recommendations resulting from the audit.

Management are committed to completing all actions graded as important and the majority of those graded as good practice, by November 2023. One recommendation requires a longer term view and will be considered further by July 2024. Internal audit will follow up on agreed management actions on an annual basis.