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

On: 21 June 2024

Report by: Chief Internal Auditor

Heading: Internal Audit Annual Report 2023/2024

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 Committee of the Internal Audit Annual Report including the annual opinion.
- 1.2 The Internal Audit Annual Report outlines the internal audit work we have carried out for the year ended 31 March 2024. 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, 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 report from Renfrewshire Council and internal audit progress reports from NHS Greater Glasgow and Clyde.
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2. Recommendations

- 2.1 Members are asked to consider and note the contents of the IJB's Internal Audit Annual Report for 2023/2024.
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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.

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Renfrewshire Health and Social Care Integration Joint Board

Internal Audit Annual Report 2023-2024

June 2024

Renfrewshire Health and Social Care Integration Joint Board

Internal Audit Annual Report 2023/2024

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Renfrewshire Health and Social Care Integration Joint Board

Internal Audit Annual Report

1 April 2023 – 31 March 2024

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 and Senior Management;
- 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.

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 2023/24 relating to the IJB;
- The outcome of Internal Audit reviews undertaken by partner bodies;
- Internal audit performance;
- Planned audit work for 2024/25;
- 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, the internal audit annual report from Renfrewshire Council and progress summaries from NHS Greater Glasgow and Clyde. (Appendix 1)

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 2023/2024

- 3.1 The Internal Audit Plan for the IJB for 2023/2024 provided for a review of performance management and the annual review of the adequacy and compliance with the Local Code of Corporate Governance. The review of performance management was reported to the IJB Audit, Risk and Scrutiny Committee on 15 March 2024. The review of compliance with the Local Code of Corporate Governance is included on today's agenda.
- 3.2 The Annual Report for 2022/2023 was submitted to the Integration Joint Board on 23 June 2023.
- 3.3 The implementation rate of audit recommendations is a measure of operational culture and effectiveness. During 2023/24, 3 recommendations were followed up and all have been fully 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 2023/24		
Performance measure	Target 2023/24	Actual 2023/24
% completion of audit plan for the year*	95%	92%
% engagements completed by target date	95%	98.5%
% engagements completed within time budget	95%	98.5%

* 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 The percentage completion of the audit plan is slightly below the target set for the year. This was due to the level of unplanned leave and the additional time attributed to unplanned work. It should be noted that this had no effect on the planned reviews for the IJB for 2023/24 which are 100% complete. The actual performance for the year for the two other indicators, is above the target performance level.
- 4.3 The PSIAS require the Chief Auditor to develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit activity. The QAIP must include both periodic internal self-assessments and five-yearly external assessments, carried out by a qualified, independent assessor from outwith the organisation.
- 4.4 We continued to participate in the Scottish Local Authorities Chief Internal Auditors' Group peer review process. Our most recent external assessment was reported to the Council's Audit, Risk and Scrutiny Board in May 2023 and included 7 recommendations for improvement, all recommendations have now been completed. The annual internal self-assessment process has concluded that the internal audit service fully complies with the PSIAS.

5. Planned Work for 2024/25

- 5.1 Following a risk-based assessment of the activities of the IJB and consultation with the senior management team, the Internal Audit Plan for 2024/2025 provides for 40 days of Internal Audit resource to undertake:
- A review of financial planning; 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, the annual self-assessment of the Audit Committee arrangements, ad-hoc advice, consultancy and training. The Internal Audit Plan for 2024/2025 was approved by the IJB Audit, Risk and Scrutiny Committee on 15 March 2024.

6. Audit Assurance Statement

- 6.1 The audit work performed in relation to the 2023/24 internal audit plan has been reported to the Chief Officer. Relevant audit work undertaken by partner organisations is reported to the Audit, Risk and Scrutiny Committee. Where areas for improvement in internal control have been identified, appropriate recommendations have been made and accepted for action by management.
- 6.2 There are no significant matters arising in relation to those audit engagements specific to the IJB and there have been no impairments impacting on the Chief

Auditor's independence and the team has been adequately resourced during the year.

- 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 There are corporate systems and processes within Renfrewshire Council and NHS Greater Glasgow and Clyde that the IJB rely upon. It can be seen from Appendix 1, that some of these processes require to be improved to provide a reasonable level of assurance.
- 6.5 In this context, it is considered that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Integration Joint Board's internal control, risk management and governance arrangements, as evidenced by:-
- The results of the audit work in 2023/24 and the opinion's contained in the Internal Audit Annual Reports of the Local Authority and progress reports from the Health Board.
 - Management self-assessment of internal control, risk management and governance arrangements.
 - Management action to respond to audit recommendations.

Chief Internal Auditor

21 June 2024

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
Local Code of Corporate Governance	Substantial	<ul style="list-style-type: none"> None
Performance Management	Substantial	<ul style="list-style-type: none"> None
Renfrewshire Council		
Audit Engagement	Assurance Level	Significant Matters
Cyber Security	Reasonable	<ul style="list-style-type: none"> None
Information Asset Register	Limited	<ul style="list-style-type: none"> There was a requirement to improve accountability by services for the upkeep of the Information Asset Register and oversight of the completeness of the register could be improved. All recommendations have now been implemented.
Disaster Recovery	Limited	<ul style="list-style-type: none"> There is scope to improve the existing arrangements. Recommendations were made to enhance and strengthen controls; including development of a central register of critical systems, formalising ICT procurement guidance, and seeking assurance from software as a service providers regarding their ability to meet disaster recovery requirements.
Care at Home Processes	Substantial	<ul style="list-style-type: none"> None
Debt Management	Reasonable	<ul style="list-style-type: none"> None
Payroll Overpayment Process	Reasonable	<ul style="list-style-type: none"> None
Health and Safety	Limited	<ul style="list-style-type: none"> The corporate arrangements for health and safety require to be improved. It was identified that procedures require to be reviewed and updated. Improvements are required in terms of corporate oversight, compliance and performance reporting.
Purchasing Processes (Corporate Purchase Cards)	Limited	<ul style="list-style-type: none"> The review focused on corporate purchase card procedures. The main areas for improvement identified relates to purchasing goods outwith the agreed

		procurement routes and the authorisation of goods ordered. There was also a lack of evidence relating to the authorisation of the increase of PCard spend limits.
NHS Greater Glasgow and Clyde		
Audit Engagement	Overall Audit Rating	Significant Matters
Public Protection Arrangements	Substantial Improvement Required	<ul style="list-style-type: none"> Improvements were required in relation to guidance documents and training.
Use of Agency Staff	Substantial Improvement Required	<ul style="list-style-type: none"> The use of agency staff in some area could not be explained by increased vacancy levels.
Moving Forward Together Implementation	High risk	<ul style="list-style-type: none"> The risk reflects the ability to progress with transformational activity within an extremely challenging operating environment, with increased pressure on services and both resourcing and financial constraints, remains an area of significant uncertainty.
Infection Prevention and Control	Minor improvement required	<ul style="list-style-type: none"> None
Consultant Job Planning	Substantial improvement required	<ul style="list-style-type: none"> Improvements are required in relation to job planning and monitoring the delivery of these plans.
eHealth Application Access Management	Minor improvement required	<ul style="list-style-type: none"> None
Public Health Screening	Minor improvement required	<ul style="list-style-type: none"> None
Managing Staff Attendance	Minor improvement required	<ul style="list-style-type: none"> None