



Item No: 7

Meeting Date

Wednesday 10th October 2018

**Glasgow City
Integration Joint Board
Finance and Audit Committee**

Report By: Chief Internal Auditor to the Integrated Joint Board

Contact: Duncan Black, Head of Audit & Inspection

Tel: 0141 287 4053

**INTERNAL AUDIT UPDATE
(April – September 2018)**

Purpose of Report:	To present to the IJB Finance and Audit Committee details of the internal audit work undertaken at Glasgow City Council and NHS Greater Glasgow and Clyde (NHSGG&C) that may have an impact on the Glasgow City Integration Joint Board (IJB).
Background/Engagement:	The Integration Joint Board is required to comply with Article 7 of the Local Authority Accounts (Scotland) Regulations 2014. The regulations require a local authority to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.
Recommendations:	The IJB Finance and Audit Committee is asked to: a) note the content of the report.

Relevance to Integration Joint Board Strategic Plan:

To provide assurance on various aspects of the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	None
Personnel:	None
Carers:	None
Provider Organisations:	None
Equalities:	None
Financial:	None
Legal:	None
Economic Impact:	None
Sustainability:	None
Sustainable Procurement and Article 19:	None
Risk Implications:	None
Implications for Glasgow City Council:	The internal auditors of the Council will continue to follow up on the recommendations arising from the reviews relating to Social Work Services.
Implications for NHS Greater Glasgow & Clyde:	The internal auditors of NHSGG&C will continue to follow up on the recommendations arising from the reviews relating to NHSGG&C.

1. Background

- 1.1 Both Glasgow City Council and NHS Greater Glasgow and Clyde (NHSGG&C) have Internal Audit functions that conduct audits across each organisation and report the findings of these to the respective audit committees.
- 1.2 Members of the Integration Joint Board (IJB) have an interest in the outcomes of audits at both Glasgow City Council and NHSGG&C that have an impact upon the Integration Joint Board's ability to deliver the strategic plan.
- 1.3 This report provides a summary to the IJB Finance and Audit Committee of the Internal Audit activity at these organisations since the last update in April 2018 which may have an impact upon the delivery of the strategic plan.
- 1.4 As with all recommendations, the Chief Internal Auditor will monitor the implementation of these and summary information will be provided to a future Finance and Audit Committee.

2. Glasgow City Council

- 2.1 In the period, the following Internal Audit reports have been issued to the Council, which are relevant to the IJB:

Audit Title	Opinion	Number and Priority of Recommendations		
		High	Medium	Low
Social Work Services Reports:				
Capital Budget Monitoring	Reasonable	0	3	0
Information Security within Addiction Services	Reasonable	0	2	0
Corporate Reports:				
Payroll Verification	Reasonable	0	1	0
Risk Mitigating Actions	Reasonable	0	2	0
Business Continuity Planning (note i)	Limited	3	3	0
Purchasing Cards and Corporate Credit Cards	Reasonable	0	4	0
Attendance Management (note ii)	Limited	1	0	0
Establishment Visits (note iii)	Reasonable	7	6	6
Non-contract Spend and Contract Usage (note iv)	Limited	4	0	0
TOTAL		15	21	6

2.2 In each audit one of four opinions is expressed:

- The control environment is satisfactory i.e. audit testing found no concerns with the control environment.
- A reasonable level of assurance can be placed upon the control environment i.e. audit testing found no major weaknesses in the control environment but some improvements could be made.
- A limited level of assurance can be placed upon the control environment i.e. improvements are necessary to ensure the control environment is fit for purpose.
- The control environment is unsatisfactory i.e. significant improvements are required before any reliance can be placed upon the control environment.

Notes

- (i) The high priority recommendations relate to issues identified in the use and completion of the new Corporate Business Continuity Planning framework.
- (ii) The high priority recommendation is in relation to improvements that should be made by all Council Services to ensure that the Corporate Attendance Management Policy is complied with.
- (iii) The high priority recommendations relate to improving the arrangements for: internal security; access to electronic data; the management of hard copy documents; fire safety; and first aid.
- (iv) The recommendations made are in relation to the Spend Opportunity Analysis Reports (SOARs) and One Time Vendor (OTV) processes. The audit also identified improvements for ensuring that all relevant staff are aware of and comply with the correct procurement processes, including ensuring that contract compliance and usage levels are monitored.

Update on previously reported high priority recommendations

2.3 The table below provides an update on previously reported high priority recommendations from the reviews undertaken within Glasgow City Council of relevance to the IJB.

Audit Title	Opinion	Number of High Priority recommendations	Current Status
Self Directed Support (note (i))	Limited	4	1 high priority recommendation remains outstanding

Notes

- (i) This relates to a solution for administering Direct Payments to service users. The proposed solution was the implementation of payment cards which required IT resource. Due to the transition to the Council's new IT arrangements, implementation was delayed. The Council's Strategic Innovation and Technology Team are reviewing this.

3. NHS Greater Glasgow and Clyde

- 3.1 In the period, the following Internal Audit reports have been issued to the NHSGG&C Audit Committee, which are relevant to the Integration Joint Board:

Audit Title	Report classification	Number and Priority of Recommendations		
		High	Medium	Low
Key financial controls: payroll	Low	0	0	0
Clinical and care governance	Low	0	0	2
Public Health: screening programmes	Low	0	0	2
Information Governance	Low	0	1	2
Gifts and hospitality compliance	Medium	0	3	1
Programme management	Low	0	0	1
Health and safety compliance	Medium	0	3	-
Corporate risk management	Low	0	1	2
Achieving Financial Balance (note (i))	Medium	1	0	0
Financial Planning 2018/19	Medium	0	2	1
TOTAL		1	10	11

- 3.2 High risk indicates findings that could have a:

- Significant impact on operational performance; or
- Significant monetary or financial statement impact or
- Significant breach in laws and regulations resulting in significant fines and consequences; or
- Significant impact on the reputation or brand of the organisation.

Medium risk indicates findings that could have a:

- Moderate impact on operational performance; or
- Moderate monetary or financial statement impact; or
- Moderate breach in laws and regulations resulting in fines and consequences; or
- Moderate 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
- Minor monetary or financial statement impact; or
- Minor breach in laws and regulations with limited consequences; or
- Minor impact on the reputation of the organisation.

Notes:

- (i) Whilst the overall rating of this report was medium, there was a high priority recommendation. In successfully achieving financial balance in the year, the Board relied heavily on the use of non-recurring support. The percentage of total savings achieved which were on a non-recurring basis was approximately 70% in 2017-18, compared with around 40% in 2015-16. While non-recurring savings will always form part of a Board's savings, the lack of enduring savings increases future financial challenges and poses a risk to the NHS Board's financial sustainability. Internal Audit noted that it was critical that the NHS Board puts in place a transformation plan that will deliver recurring savings and provide financial sustainability for the future. Measures recently put in place, such as the Financial Improvement Programme, should clearly and regularly communicate to the Finance and Planning Committee and the Board on the progress made to reduce the Board's recurring deficit.

Update on previously reported high priority recommendations

- 3.3 The table below provides an update on previously reported high priority recommendations from the reviews undertaken within NHS GG&C of relevance to the IJB.

Audit Title	Opinion	Number of High Priority recommendations	Current Status
Waiting Times Management	High	1	Implemented
Suicide risk Assessment	High	1	Implemented

4. IJB Internal Audit Plan 2018/19 Update

- 4.1 The IJB Internal Audit Plan 2018/19 was approved by the IJB Finance and Audit Committee in April 2018. Due to operational needs, the audit work will be undertaken in quarters three and four and the outcomes from the reviews will be presented to the Finance and Audit Committee thereafter.

5. Recommendation

- 5.1 The IJB Finance and Audit Committee is asked to:
- a) note the content of the report.