



Item No. 8

Meeting Date

Wednesday 7th February 2018

Glasgow City Integration Joint Board Finance and Audit Committee

Report By: Chief Internal Auditor for the Integration Joint Board

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REVIEW OF THE PROCESS FOR DIRECTIONS

Purpose of Report:

To present to the IJB Finance and Audit Committee the main findings of the following audit report that was issued recently, together with a summary of action taken:

- Review of the Process for Directions

Background/Engagement:

The review was undertaken as part of the agreed 2017/18 Internal Audit Plan.

Recommendations:

The IJB Finance and Audit Committee is asked to:

- a) Note the content of the report; and
- b) Instruct the Chief Internal Auditor to provide follow up reports showing progress towards achievement of the Action Plans arising from audit undertaken.

Relevance to Integration Joint Board Strategic Plan:

To provide assurance on the process for directions, including those relating to 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 current internal auditors of the Council will continue to report to the Council on operational matters relating to Social Care services.
Implications for NHS Greater Glasgow & Clyde:	The current internal auditors of the NHSGG&C will continue to report to the NHS Board on operational matters relating to NHS services.



Glasgow City Integration Joint Board

Review of the Directions Process

Internal Audit
January 2018

Final Report



ISO 9001: 2008



**Glasgow City Integration Joint Board
Review of the process for Directions**

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Glasgow City Integration Joint Board Review of the process for Directions

1. Introduction

- 1.1 As part of the 2017/18 Internal Audit plan, we have carried out an Internal Audit review of the process for directions within the Glasgow City Integration Joint Board, hereafter referred to as the IJB.
- 1.2 The Public Bodies (Joint Working) (Scotland) Act 2014 places a duty on Integrated Joint Boards (IJB) to develop a Strategic Plan for the functions and budgets under its control. The IJB requires a mechanism to action the Strategic Plans and this mechanism takes the form of legally binding directions from the IJB to either one or both partners, Glasgow City Council (GCC) and NHS Greater Glasgow and Clyde (NHSGGC).
- 1.3 The scope of the audit was to ensure that there are adequate controls in place for issuing, monitoring and reporting directions. This included:
- Ensuring that formal arrangements have been agreed by the IJB for issuing directions to GCC and NHSGGC;
 - Confirming that directions are being issued in line with the agreed procedures in place;
 - Ensuring that the directions that have been issued provided clear guidance on what is expected by GCC and NHSGGC;
 - Reviewing the arrangements in place for monitoring directions that have been issued by the IJB; and
 - Reviewing the arrangements in place for reporting progress against directions to the IJB Board.

2. Audit Opinion

- 2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and four recommendations which management should address.

3. Main Findings

- 3.1 We are pleased to report that the key controls in relation to directions are in place and are generally operating effectively. A direction template has been developed and has been made available to all relevant staff. For a sample of directions reviewed, we found that the approved template had been used and had been fully completed in all cases. In addition, the directions related to services that had been delegated to the IJB and were in line with the IJB's responsibilities as detailed in the documented guidance.
- 3.2 We found that guidance has been issued to the IJB Board in respect of the directions process. There is also a process in place for the IJB Board to raise queries around the clarity or content of a direction and we found that where directions had been queried, action had been taken to provide clarity and the directions had been approved thereafter.
- 3.3 We have also identified some opportunities for improvement. There are no procedures or external guidance notes in place which outline how the implementation of directions should be monitored. Currently, the IJB Board monitors the achievement of outcomes relating to directions through update reports as part of the performance management

framework. However, there is no direct monitoring of the implementation or status of directions that have been issued. For example, the board is not provided with a periodic update on the list of directions issued and their current status. We also found that the log which is used to record directions is not reviewed in order to ensure that it is accurate and up-to-date and we found three cases where directions that had been issued by the IJB Board were missed from the log in error.

- 3.4 The IJB is legally obliged to notify the Chief Executives of the NHSGGC and GCC of directions, however we found one case where evidence of this could not be provided. The Scottish Government issued a Good Practice Guide in relation to directions. This states: “directions must include detailed information on the financial resources that are available for carrying out the functions that are the subject of directions, including the allocated budget and how that budget (whether this is payment, or an amount made available) is to be used”. From a sample of ten directions reviewed, we identified four cases where the budget information was noted as being “as advised by the Chief Officer: Finance and Resources” however there was no budget information contained in the associated reports in all four cases.
- 3.5 An action plan is provided at section four outlining our observations, risks and recommendations. We have made four recommendations for improvement. The priority of each recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	2
Low	Lower level controls absent, not being operated as designed or could be improved.	2

- 3.6 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.7 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.8 It is recommended that the Head of Audit and Inspection submits a further report to the Finance and Audit Committee on the implementation of the actions contained in the attached Action Plan.

4. Action Plan

Title of the Audit: Glasgow City Integration Joint Board – Review of the Process for Directions

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Directions are being issued in line with the agreed procedures.				
1	<p>The IJB is legally obliged to notify the Chief Executives of NHSGCC and GCC of any directions formally in writing. However, our sample testing identified one occasion where evidence of the notification could not be located.</p> <p>This increases the risk that the IJB is unable to hold NHSGCC/GCC to account for implementation of a direction.</p>	<p>IJB management should ensure that evidence of formal notification of directions to the Chief Executives of NHSGCC and GCC is retained in all cases.</p>	Medium	<p>Process in place via weekly governance meetings to check that actions from IJB have been implemented.</p> <p>Officer Responsible for Implementation: Head of Business Development</p> <p>Timescale for Implementation: January 2018</p>
Key Control: Directions issued provide clear guidance on what is expected by GCC and NHSGCC.				
2	<p>The Scottish Government issued a Good Practice Guide in relation to directions. This states: “directions must include detailed information on the financial resources that are available for carrying out the functions that are the subject of directions, including the allocated budget and how that budget (whether this is payment, or an amount made available) is to be used”. From a sample of ten directions reviewed, we identified four cases where the budget information was noted as being “as advised by the Chief</p>	<p>IJB management should consider including additional information in relation to the budget associated with directions within the template.</p> <p>If this is not deemed to be necessary, IJB management should state within the directions template that the delivery of the direction is to be within existing resources.</p>	Low	<p>Scrutiny of all future directions to ensure that where appropriate an amount is included, or that it is to be carried out within existing resources.</p> <p>Officer Responsible for Implementation: Head of Business Development</p> <p>Timescale for Implementation: January 2018</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>Officer, Finance and Resources” however there was no budget information contained in the associated reports in all four cases.</p> <p>This increases the risk that the IJB Board is not aware of the budget implications when approving the issue of a direction.</p>			
Key Control: Arrangements are in place to monitor and report on the directions that have been issued by the IJB.				
3	<p>Once directions have been agreed and issued, there is no further information provided to the board in relation to the progress made to implement the directions. We were advised that the progress of implementation is monitored through the performance management framework and by assessing the achievement of outcomes associated with the directions. However, the board is not provided with a specific report outlining the progress of all directions that have been issued.</p> <p>Current arrangements increase the risk that the IJB Board is not fully aware of the current position of a direction that has been issued.</p>	IJB management should consider reporting a periodic update to the board on the status of implementation for all directions that have been issued.	Medium	<p>Management will consider the relevance of providing a separate report. Paper outlining this proposal to be submitted to the Executive Group in February.</p> <p>Officer Responsible for Implementation: Head of Business Development</p> <p>Timescale for Implementation: February 2018</p>
4	A log is maintained by the Business Development Team to record details of directions that have been approved by the IJB Board and includes the status of the directions. We found three cases where	IJB management should ensure that an internal review of the directions log is undertaken to confirm that this fully and accurately reflects the current status of all directions issued.	Low	The log will be reviewed in February to ensure that all directions which have been superseded (budget monitoring are closed) and this will

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>directions that had been issued were not included on the log. We were advised that two cases had been missed in error and in one case the direction had been included in the board report in error and was not required to be logged.</p> <p>We also found that there is no process in place for reviewing the log internally. At the time of the audit, we there were 75 directions included on the log, all of which were showing a current or open status. Some directions are superseded by subsequent directions (e.g. in relation to budget monitoring) however the log is not updated to reflect this.</p> <p>This increases the risk that the most up to date position in relation to the status of directions is not clear.</p>			<p>be included as an on-going action after each IJB.</p> <p>Officer Responsible for Implementation: Head of Business Development</p> <p>Timescale for Implementation: February 2018</p>