



# Item No. 9

Meeting Date: Wednesday 11<sup>th</sup> December 2019

## Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

**Report By:** Chief Internal Auditor for the Integration Joint Board

**Contact:** Duncan Black

**Tel:** 0141 287 4053

### INTERNAL AUDIT UPDATE (April 2019 – October 2019)

<b>Purpose of Report:</b>	To present to the IJB Finance, Audit and Scrutiny Committee details of the internal audit work undertaken at Glasgow City Council and NHS Greater Glasgow and Clyde that may have an impact upon the Glasgow City Integration Joint Board.
<b>Background/ Engagement:</b>	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.
<b>Recommendations:</b>	The IJB Finance, Audit and Scrutiny Committee is asked to:  a) note 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:

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	N/A
<b>Personnel:</b>	None
<b>Carers:</b>	None
<b>Provider Organisations:</b>	None
<b>Equalities:</b>	None
<b>Fairer Scotland Compliance:</b>	None
<b>Financial:</b>	None
<b>Legal:</b>	The IJB will be compliant with: - The Integrated Resource Advisory Group guidance in relation to audit provision. - The Local Authority Accounts (Scotland) Regulations 2014
<b>Economic Impact:</b>	None
<b>Sustainability:</b>	None
<b>Sustainable Procurement and Article 19:</b>	None
<b>Risk Implications:</b>	None
<b>Implications for Glasgow City Council:</b>	The internal auditors of the Council will continue to follow up on the recommendations arising from the reviews relating to Social Work Services.
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	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 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 have an interest in the outcomes of audits at both Glasgow City Council and NHS Greater Glasgow and Clyde 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 Glasgow City Integration Joint Board's Finance, Audit and Scrutiny Committee of the Internal Audit activity at these organisations since the last update for the period up to March 2019 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, Audit and Scrutiny 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 Integration Joint Board:

Audit Title	Opinion	Number and Priority of Recommendations		
		High	Medium	Low
<b>Social Work Services Reports:</b>				
Individual budget direct payments (note i)	Limited	4	1	1
Child protection case conference protocols	Reasonable	0	3	0
<b>Corporate Reports:</b>				
Compliance with IR35 (off-payroll workers) (note ii)	Limited	1	1	0
Email auto forwarding arrangements (note iii)	Reasonable	1	1	1
Invoice / Bacs Fraud controls	Reasonable	0	3	0
Establishment Visits (note iv)	Reasonable	1	6	4
External Grant funding	Reasonable	0	3	1
Risk Mitigation Actions	Reasonable	0	1	0
<b>TOTAL</b>		<b>7</b>	<b>19</b>	<b>7</b>

- 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

The high priority recommendations relate to:

- Improvements that should be made to the arrangements for (i) ensuring compliance with the requirements for allocating and reviewing individual budgets, (ii) requesting and reviewing bank statements and supporting evidence, (iii) taking action on overdue monitoring returns, and (iv) compliance with the requirements for undertaking financial monitoring returns.
- The development and communication of procedures in relation to IR35 (off-payroll workers where special tax rules apply where a worker provides his/her services through their own intermediary).
- Implementation of additional controls to prevent auto-forwarding of emails being set up.
- Controls to prevent the use of unencrypted memory sticks within a specific Council Service.

## 2.3 Update on previously reported high priority recommendations

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 Recommendations		
		High Priority	Completed	Outstanding
<b>Social Work Services</b>				
Protection of Vulnerable Groups (PVG) Scheme Arrangements	Reasonable	1	1	0
Use of Pay Point (note i)	Limited	8	5	3
Self Directed Support (note ii)	Limited	4	3	1
Business Continuity Planning	Limited	3	3	0
Self Directed Support (2 <sup>nd</sup> review) (note iii)	Limited	2	1	1
<b>TOTAL</b>		<b>18</b>	<b>13</b>	<b>5</b>

## Notes

- (i) The high priority recommendations relate to ensuring compliance with agreed procedures and follow up action that required to be taken. The recommendations were originally due to be implemented by 31<sup>st</sup> March 2019. Although evidence has been provided to show progress has been made towards the implementation of the recommendations, further work is still required. This recommendation is due to be followed up following the revised implementation date of 31 October 2019.
- (ii) The outstanding recommendation relates to a solution for administering direct payments to Social Work Services service users, and was originally due for completion in September 2014. The contract with the service provider has now been finalised and implementation of the new system is phased from June to October 2019. Staff are currently liaising with colleagues from Corporate Finance, Internal Audit, Customer and Business Services and CGI in order that the revised procedures for the system are robust. This recommendation is due to be followed up following the revised implementation date of 31 October 2019.
- (iii) The outstanding recommendation relates to developing arrangements to ensure that staff fully comply with the requirements for allocating individual budgets, and for the review of the timelines and arrangements in place for personalisation reviews. The recommendation was originally due for completion on 31 August 2019, however has been delayed to allow review of existing procedures and these to be communicated to relevant staff. A revised implementation date of 28 February 2020 has been provided.

2.4 The above recommendations reflect the status of the recommendations when last reported to the Council's Finance and Audit Scrutiny Committee (FASC). The outstanding recommendations will continue to be followed up as part of this process and reported.

### **3. NHS Greater Glasgow and Clyde**

3.1 In the period, the following Internal Audit reports have been issued to the NHS Greater Glasgow & Clyde, which are relevant to the Integration Joint Board:

Audit Title	Report Classification	Number of Issues per grading			
		4	3	2	1
A.5 Outpatient capacity planning	Minor improvement required	-	-	2	1
A.7 Performance Reporting (note i)	Substantial improvement required	-	2	2	-
C.1 Hospital standardised mortality ratios (HSMR)	Minor improvement required	-	-	3	-
C.4 Review of patient results	N/A	-	-	-	-
D.6 Nurse rostering	Minor improvement required	-	1	4	-
E.1 GDPR compliance	Minor improvement required	-	1	1	1
E.4 Information sharing	Minor improvement required	-	-	3	1
F.2 Waiting times audit	Effective required	-	-	-	1
<b>TOTAL</b>		<b>0</b>	<b>4</b>	<b>15</b>	<b>4</b>

The ratings below describe the overall opinion on the control frameworks reviewed during each audit:

- Immediate, major improvement required: Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.
- Substantial improvement required: Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
- Minor improvement required: A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.
- Effective: Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

#### Ranking Definition

4. Very high risk exposure - major concerns requiring immediate senior management attention.
3. High risk exposure - absence / failure of key controls.
2. Moderate risk exposure - controls not working effectively and efficiently.
1. Limited risk exposure - controls are working effectively, but could be strengthened.

## Notes

- (i) The high risk exposure recommendations relate to ensuring that a performance plan has been prepared and approved at the outset of each year that clearly demonstrates how performance against corporate objectives will be measured and reported, and developing a fully integrated performance report for the Board.

## **4. Recommendations**

4.1 The IJB Finance, Audit and Scrutiny Committee is asked to:

- a) note the content of the report.