



Integration Joint Board
Audit and Risk Committee

16th December 2019

This Report relates to
Item 6 on the Agenda

Internal Audit Update – December 2019

Paper presented by Julie Watters

For Discussion and Noting

Approved for Submission by	Chief Finance Officer, Integration Joint Board
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List of Background Papers	Not Required
Appendices	Appendix 1 – IJB Audit and Assurance requirements 2019/20 Appendices 2&3 – Progress against 2018/19 and 2019/21 NHSDG Audit plans Appendix 4 – IJB Audit scope (IJB-01-20)

SECTION 1: REPORT CONTENT

Title/Subject: Internal Audit Update December 2019

Meeting: Audit and Risk Committee

Date: 16th December 2019

Submitted By: Julie Watters

Action: For Discussion and Noting

1. Introduction

- 1.1 The purpose of this report is to provide an update to IJB Audit and Risk Committee on delivery of the Internal Audit Plan for the Integration Joint Board for the year 2019/20 and to highlight the assurances from the host organisations as part of the IJB's overall governance and risk management processes.
- 1.2 A draft scope is also attached for consideration in relation to Delayed Discharges which is seen as an area of higher risk and felt to be worthy of audit review.

2. Recommendations

- 2.1 **The IJB Audit and Risk Committee is asked to**
 - **Note this update on progress against the Internal Audit plan for 2019/20, and**
 - **Note the proposed scope of audit assurance work in relation to Delayed Discharges**

3. Background

- 3.1 As detailed in previous reports there are various pieces of guidance that require the Integration Joint Board (IJB) to establish adequate and proportionate internal audit arrangements for the review of risk management, governance and control of the delegated resources.
- 3.2 The approved internal audit plan for the IJB takes into consideration the fact that operational services are delivered within the Health Board and Local Authority respectively on behalf of the IJB and as such assurances are provided on these areas to their Audit and Risk Committees.
- 3.3 The Council and Health Board have separate internal audit plans for 2019/20 approved through their own Audit and Risk Committees which have agreed the allocation of 40 days each towards a joint audit for the IJB. These individual plans deliver a range of assurances within the host organisations as well as giving a specific allowance of audit days for the delivery of a piece of joint audit work.

4. Main Body of the report

4.1 Audit progress – 2019/20 plan

The audit plan for 2019/20 aims to provide assurance on the ongoing governance and assurance arrangements in the IJB. This will be informed by the respective audits undertaken within each partner organisation and this year is also enhanced with dedicated audit days being provided from both the Health and Council Internal Audit plans.

- 4.2 Audit assurances to the IJB are not delivered in isolation and the internal audit functions of both the NHS and Council will deliver assurances to their own organisations that should also be considered by the IJB where relevant. It is the responsibility of the Chief Internal Auditor for the IJB to ensure that these assurances are consolidated and reported on as relevant.
- 4.3 Current reporting to the NHS Audit and Risk Committee on progress against the Audit Plan consists of a summary of audits delivered in the reporting period along with the Assurance level that is given for each audit and the number of recommendations made. This information is summarised at year end within the Statement of Assurance provided within the annual report.
- 4.4 This reporting format is being enhanced with copies of all reports finalised in the previous quarter being taken to committee. As these are discussed implications to the IJB will be highlighted and a summary of relevant issues will be brought back to this committee.
- 4.5 This approach, to summarise all the reports finalised, aims to give an early indication of any identified issues that may be of relevance. This reporting can be adjusted to meet the requirements of committee members. The outcomes of 2018/19 and 2019/20 audits are detailed in Appendices 2&3.
- 4.6 The NHS audit with most significance to the IJB is that of Delegated Authorities. This was scoped to “provide assurance that authority delegated by the Board is being managed in accordance with the most current version of the Code of Corporate Governance, the Scheme of Delegation and the Standing Financial Instructions” and this delivered a Moderate level of assurance. Whilst mostly covering the authorities and decision making within the Health Board it also covered changes to these due to the creation of the IJB and the implications of this on strategic decision making and operational processes.
- 4.7 There were a number of staffing pressures within the Internal Audit section in 2018 and 2019 which have led to a delay in completion of some of the audits in the 2018/19 plan. This is currently being addressed through recruitment into the audit team. The team will consist of 4 members of staff which will greatly enhance the resilience of the team moving forward.

4.8 **Audit Planning 2019/20**

There have been a number of meetings to discuss the content and format of the audit plan for the IJB for 2019/20. It was agreed that some form of joint audit work would be delivered for 2019/20 and a range of topics have been discussed to ensure that the audit provides assurance on the most relevant and highest risk area.

4.9 The IJB Risk Register was approved at the last Audit and Risk Committee meeting in December 2018 with three risks identified. These initial three risks allow a certain element of context for the types of assurance that the Internal Audit plan will be expected to deliver, although this has provoked further discussion on whether there are additional risks that can be captured at this level for the IJB.

4.10 The proposed scope of this piece of work is attached in Appendix 4. This has been drafted following discussions with members of Audit and Risk Committee, the Chief Officer of the IJB, the Director of Finance for the NHS and IJB and the Chief Executive of the Health Board. Delayed Discharges is felt to be one of the highest risk areas at present and a key area where the outcomes of Integration would be expected to make an impact.

SECTION 2: COMPLIANCE WITH GOVERNANCE STANDARDS

5. Resource Implications

- 5.1 The Internal Audit provision for the IJB for 2019/20 has been approved from the NHS and Council audit resource.

6. Impact on Integration Joint Board Outcomes, Priorities and Policy

- 6.1 Internal Audit is a key element of the delivery of independent assurances around the achievement of the IJB's objectives.

7. Legal & Risk Implications

- 7.1 The IJB Risk Register has been considered and discussed in the scoping of this audit and its inclusion in the 2019/20 plan.

8. Consultation

- 8.1 The Chair and Vice-Chair of the IJB Audit and Risk Committee have been consulted and their views have been incorporated into this paper.

9. Equality and Human Rights Impact Assessment

- 9.1 The Equality Framework within NHS D&G has been considered in creating the audit plan. An equalities impact assessment has not been completed.

10. Glossary

- 10.1 The following table details the abbreviations and associated terms encountered throughout this report and guidance referred to.

Abbreviation	Term
CIA	Chief Internal Auditor
D&GC	Dumfries and Galloway Council
IJB	Integration Joint Board
IRAG	Integrated Resources Advisory Group
NHS D&G	NHS Dumfries and Galloway
PSIAS	Public Sector Internal Audit Standards

Integration Joint Board Audit and Assurance requirements 2019/20

Assurance Area	Timing	Who	Days	Comments
Audit Planning 19/20	Dec 2019	IJB CIA	35	Draft scope for audit work in 2019/20 audit plan
Audit Management	Ongoing	IJB CIA		Liaison with managers and Directors and liaison between HB and NHS audit functions
Committee reporting	Quarterly	IJB CIA		Quarterly updates to Committee on audit progress and attendance at Audit and Risk Committee
Audit Planning 20/21	June 2020	IJB CIA		Draft Internal Audit plan 2020/21 and onwards
Annual Internal Audit Report	Sept 2020	IJB CIA		Including CIA's annual assurance statement to Audit and Risk Committee to inform the IJB Governance Statement
Governance and Assurance arrangements – Ongoing	2019/20	IJB IA		Review of decision making processes along with monitoring and reporting mechanisms across the IJB and partner organisations.
Audit Follow up	2019/20	IJB CIA		To follow up on the actions from the 2016/17 internal audit
Joint audit assurance	2019/20	IJB IA	40	Delivery of joint audit work within the 2019/20 audit plan

Previous work undertaken in the 2016/17 IJB audit

Governance and Assurance arrangements - Initial	2016/17 – Q4	IJB IA	25	Review of Health and Social Care Integration within Dumfries and Galloway, focussing on: <ul style="list-style-type: none"> • Financial, • Staff, • Information, and • Clinical and Care Governance and include Risk and Performance Management arrangements
Strategic Planning	2016/17 – Q4	IJB IA		Initial review of the processes around the preparation of the IJB Strategic Plan

Progress against the 2018/19 Audit Plan

Audit	Audit Subject	IJB	Days	Status	Rec's	Assurance	Comments
A/01/19	Delegated Authorities	✓	25	Final	12	Moderate	
A/02/19	Contract Management		20	Prelim		-	At reporting stage
A/03/19	Transport		25	Final	11	Moderate	
A/04/19	IT Security		20	Prelim	9	Moderate	
A/05/19	Digital Health Strategy	✓	20	Final	4	Moderate	
A/06/19	Waste Management		23	Final	10	Moderate	
A/07/19	Recruitment and Retention - Staff Turnover		20	WIP		-	Nearing completion
A/08/19	Patient Access and Waiting Times	✓	20	Final	6	Moderate	
A/09/19	Services for Older People	✓	20	Final	2	Significant	
A/10/19	Hospital Cleaning		20	Final	5	Significant	
A/11/19	Adverse Incident Reporting		24	Final	7	Significant	
F/01/19	Property Transaction Monitoring		10	Final	-	Comprehensive	Reported to NHS ARC Sept 2018
TS/01/19	Capital Assets		18	Final	4	Significant	
TS/10/19	Payroll	✓	20	Final	2	Significant	
TS/18/19	Equipment Bank	✓	20	Final	7	Significant	

Audit	Audit Subject	Days	Status	Rec's	Assurance	Comments
A/05/18b	New Hospital Post Project Evaluation	-	Final	1	Significant	Follow up to original Migration and Commissioning audit work in 2017/18 audit plan

Progress against the 2019/20 Audit Plan

Audit	Audit Subject	Days	Status	Rec's	Assurance	Comments
A-01-20	CEL's and Scottish Government guidance	20				
A-02-20	Complaints Management process	20				
A-03-20	Remote Working	25				
A-04-20	HR Systems - eESS	25	WIP			Testing nearing completion
A-05-20	Pre-employment checking	20				
A-06-20	Stores and Stock Control - Pharmacy	20	WIP			At reporting stage
A-07-20	Health Inequalities	25				
A-08-20	Community Engagement	25				
RM-01-20	Risk Management	20	WIP			Scoped and underway
FM-01-20	Externals - activity monitoring	20				
TS-01-20	Financial transactions - accuracy and completeness	30				
IJB-01-20	Joint audit assurance	40				Scope to be agreed with IJB Audit and Risk Committee