



Integration Joint Board  
Audit, Risk and Governance Committee

8<sup>th</sup> June 2023

This Report relates to  
Item 7 on the Agenda

# Chief Internal Auditor Quarterly Update June 2023

*Paper presented by Julie Watters*

*For Discussion and Noting*

<b>Author:</b>	Julie Watters, Chief Internal Auditor NHS Dumfries and Galloway and Dumfries and Galloway Integration Joint Board julie.watters2@nhs.scot
<b>Approved for Submission by:</b>	n/a
<b>List of Background Papers:</b>	n/a
<b>Appendices:</b>	Appendix 1 – Progress against 2022/23 Audit Plan – NHS

## **1. Introduction**

- 1.1 The purpose of this report is to provide an update to Audit, Risk and Governance Committee (ARGC) on delivery of Internal Audit assurances for the Integration Joint Board for 2022/23 and to highlight relevant assurances received from the NHS Dumfries and Galloway and Dumfries and Galloway Council audit plans as part of the IJB's overall governance and risk management processes.

## **2. Recommendations**

### **2.1 The IJB Audit, Risk and Governance Committee is asked to:**

- note this update on progress against the Internal Audit work for 2022/23.

## **3. Background and Main Report**

- 3.1 Guidance requires the Integration Joint Board (IJB) to establish adequate and proportionate internal audit arrangements for the review of risk management, governance and controls over delegated resources.
- 3.2 The internal audit coverage 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 respective Audit and Risk Committees.
- 3.3 The overall objective of the audit plan is to provide assurance on the ongoing risk management, governance and control arrangements in the IJB. This is informed by the respective audits undertaken within each partner organisation and is enhanced, as required, with dedicated audit days being provided from both the Health Board and Council Internal Audit plans.
- 3.4 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.

### **Audit plan 2022/23**

- 3.5 The Council and Health Board have separate internal audit plans for each financial year approved through their own Audit and Risk Committees. These individual plans deliver a range of assurances within the host organisations as well as occasionally giving a specific allowance for provision of assurance in relation to the IJB and Health and Social Care Partnership (H&SCP).
- 3.6 The IJB Internal Audit annual report for 2021/22 was presented to the IJB ARC in September 2022 and detailed the range of assurances that had been provided from the NHS and Council audit work during the year and highlighted those of specific relevance to the IJB.
- 3.7 The NHS Internal Audit Plan for 2022/23 was approved as two 6-monthly plans taken to the April and October 2022 ARC meetings.
- 3.8 The Council's Audit Plan for 2022/23 was approved at their Audit, Risk and Scrutiny meeting in June 2022.

- 3.9 Reporting to the NHS Audit and Risk Committee on progress against the Audit Plan includes provision of copies of all reports finalised in the previous. This information is summarised at year-end within the Statement of Assurance provided within the annual report.
- 3.10 The six reports within the following table have been taken to the NHS Audit and Risk Committee since the previous meeting in February 2023.

**Table 1 – Audit reports presented to NHS Audit and Risk Committee**

<b>Audit</b>	<b>Assurance</b>	<b>To NHS ARC</b>
TS/12/22 – Cash Controls	Significant	April 2023
A/03/23 – Freedom of Information	Significant	April 2023
A/01/23 – Risk Management	Moderate	April 2023
A/02/23 – Whistleblowing	Moderate	April 2023
TS/10/22 – Payments to Staff	Moderate	April 2023
A/07/23 – Procurement	Moderate	April 2023

- 3.11 Audit work from the Local Authority, as reported through their Audit, Risk and Scrutiny Committee, has mainly focussed on core financial work. This has been due to staffing pressures within the team. They have recently recruited to two vacant posts, although the Internal Audit Manager is retiring at the end of the May and this will have an initial impact on the resource. A meeting was held with the Interim Manager to discuss sharing of audit reports and opportunities to share information on assurances from audit work.
- 3.12 The Internal Audit functions of both the NHS and Council continue to experience challenges in progressing audit work due to ongoing pressures across the services, which have been especially stretched over recent months, although this is starting to show early signs of easing. Audit approaches have being amended to allow for remote and hybrid working.
- 3.13 An approach to coordinate assurances from the individual audit plans was agreed through this committee in March 2022 and was applied for the 2021/22 and 2022/23 audit years. This has proved to be successful with sharing information and a number of meetings to discuss the risks facing the NHS and Council and where independent assurances could be provided on these and where relevant for the IJB.
- 3.14 This approach will continue and reporting on assurances will be in a similar format to previous years.

#### **Audit Follow-Up Processes**

- 3.15 Within the Health Board, all audit recommendations and subsequent actions are monitored through the Audit and Risk Committee.
- 3.16 The position as at 2 May 2023 shows there are 145 actions of which 85 (59%) are currently overdue, which is a decrease from 83% last quarter
- 3.17 The closure of actions is being discussed at the NHS Audit and Risk Committee who have a clear view that this reduction on the level of overdue actions needs to continue.
- 3.18 Reporting through the NHS ARC on these actions has also compared where these

sit within the Board's risk appetite and this is being used to prioritise those for more urgent closure.

### **Audit Planning 2023/24**

3.19 Looking ahead, any plan for the IJB needs to recognise the changing landscape across Health and Social Care as we recover from the impact of Covid.

3.20 The NHS Plan for the first 6 months of 2023/24 was taken to their Audit and Risk Committee in April 2023. This covers the following areas.

A/01/24	Incident Reporting, Management and Learning
A/02/24	Recruitment Process
A/03/24	Use of Data and Information
A/04/24	Estates Rationalisation
A/05/24	Child Protection
A/06/24	Infection Control
A/07/24	Out of Hours Service
A/08/24	Vehicle Use
A/09/24	Creditors – Accounts Payable
F/01/24	Property Transactions Monitoring

3.21 The Local Authority Plan was taken to their April 2023 Audit, Risk and Scrutiny Committee meeting. This plan covers a number of audits in relation to their main financial systems including reviews of the Assessors, social care income, procurement arrangements, iTrent self-service and, following the recent payroll audit, a further review of the Monthly iTrent Timesheet Submission (MiTTS) system. The plan also details that consultation with Services has resulted in suggestions for other audits and these are being developed for possible inclusion in the plan.

3.22 Any audit work delivered within the partnership needs to follow a risk based approach and therefore the risk register work that is being taken forward for the IJB and the Health and Social Care Partnership needs to continue so that risks to the achievement of objectives are clearly identified and articulated. This will assist in directing audit resource where assurances are needed most.

3.23 To assist in this planning and to understand the current business being discussed across the partnership, the Chief Internal Auditor has been attending the revised committee meetings following the recent change to the committee format within the IJB. This has been supported with a review of the agendas and associated papers presented to each committee. There has been a request to feed back any observations but it is still an early stage to do this in a meaningful way.

## **4. Conclusions**

4.1 This report provides an update on progress against the plans for 2022/23 and details further work required to pull together these assurances.

## **5. Resource Implications**

5.1 The Internal Audit provision for the IJB for 2022/23 has been provided from the existing 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.														
<b>7.</b>	<b>Legal and Risk Implications</b>														
7.1	The IJB Risk Register requires continual review so that risks to the achievement of objectives are clearly identified and articulated. This will assist in directing audit resource where assurances are most needed.														
<b>8.</b>	<b>Consultation</b>														
8.1	This paper, as a summary of the overall audit approach, has been discussed with the Internal Audit Manager at Dumfries and Galloway Council.														
<b>9.</b>	<b>Equality Impact Assessment</b>														
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.														
<b>10.</b>	<b>Glossary</b>														
10.1	The following table details the abbreviations and associated terms encountered throughout this report and guidance referred to.														
	<table border="1"> <tr> <td><b>ARC</b></td> <td><b>Audit and Risk Committee (pre Feb 2023)</b></td> </tr> <tr> <td><b>A&amp;RGC</b></td> <td><b>Audit, Risk and Governance Committee (post Feb 2023)</b></td> </tr> <tr> <td><b>DGC</b></td> <td><b>Dumfries and Galloway Council</b></td> </tr> <tr> <td><b>EQIA</b></td> <td><b>Equalities Impact Assessment</b></td> </tr> <tr> <td><b>H&amp;SCP</b></td> <td><b>Health and Social Care Partnership</b></td> </tr> <tr> <td><b>IJB</b></td> <td><b>Integration Joint Board</b></td> </tr> <tr> <td><b>NHS D&amp;G</b></td> <td><b>NHS Dumfries and Galloway</b></td> </tr> </table>	<b>ARC</b>	<b>Audit and Risk Committee (pre Feb 2023)</b>	<b>A&amp;RGC</b>	<b>Audit, Risk and Governance Committee (post Feb 2023)</b>	<b>DGC</b>	<b>Dumfries and Galloway Council</b>	<b>EQIA</b>	<b>Equalities Impact Assessment</b>	<b>H&amp;SCP</b>	<b>Health and Social Care Partnership</b>	<b>IJB</b>	<b>Integration Joint Board</b>	<b>NHS D&amp;G</b>	<b>NHS Dumfries and Galloway</b>
<b>ARC</b>	<b>Audit and Risk Committee (pre Feb 2023)</b>														
<b>A&amp;RGC</b>	<b>Audit, Risk and Governance Committee (post Feb 2023)</b>														
<b>DGC</b>	<b>Dumfries and Galloway Council</b>														
<b>EQIA</b>	<b>Equalities Impact Assessment</b>														
<b>H&amp;SCP</b>	<b>Health and Social Care Partnership</b>														
<b>IJB</b>	<b>Integration Joint Board</b>														
<b>NHS D&amp;G</b>	<b>NHS Dumfries and Galloway</b>														

**Progress against Audit Plan - NHS**

Audit	Audit Subject	Days	Status	Recs	Assurance	To NHS Audit and Risk Committee	Comments
A/01/22	Environmental Strategy	25	Final	12	Limited	January 2023	
A/02/22	Emergency Planning and Response	25	Final	10	Moderate	January 2023	
A/03/22	Central Sterile Services Department	20	Final	5	Significant	October 2022	
A/04/22	Covid Vaccinations	25	Final	3	Significant	July 2022	
A/05/22	Waiting Lists	25	Final	5	Moderate	January 2023	
A/06/22	DPA/GDPR	25	Final		Moderate	July 2022	
A/07/22	Pre-employment checking	20	Final	5	Moderate	July 2022	
TS/12/22	Cash Controls/Petty Cash	20	Final	2	Significant	April 2023	
TS/10/22	Payments to staff	25	Prelim	7	Moderate		Management response overdue
A/01/23	Risk Management	20	Final	11	Moderate	April 2023	
A/02/23	Whistleblowing	20	Final	7	Moderate	April 2023	
A/03/23	Freedom of Information	25	Final	8	Significant	April 2023	
A/04/23	External Comms and Social Media	25	Final		Moderate		
A/05/23	Public Health Screening	25	WIP				At debrief stage
A/06/23	Contract Monitoring - DGRI	20	Final	8	Moderate	October 2022	
A/07/23	Procurement	25	WIP		Moderate	April 2023	Early reporting stage
F/01/23	Property Transactions Monitoring	10	-	-	-	-	No property transactions during 2021/22
A/08/23	Register of Interests/Gifts and Hospitality	17	Final		Moderate	April 2023	
A/09/23	Home Teams - Governance and Reporting	25	Prelim				Audit being scoped
A/10/23	Mental Health Waiting Lists	20	WIP				At debrief stage
A/11/23	Safer Staffing	25	WIP				At debrief stage
A/12/23	Staff Appraisals	20					To be undertaken as consultancy work