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A meeting of the **Health & Social Care Integration Joint Board Audit Committee** will be held on **Monday, 7th December, 2020** at **2.00 pm** in Via Microsoft Teams

AGENDA

Time	No	Lead	Paper
	1	Chair	Verbal
	ANNOUNCEMENTS & APOLOGIES		
	2	Chair	Verbal
	DECLARATIONS OF INTEREST <i>Members should declare any financial and non financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.</i>		
	3	Chair	Attached
	MINUTES OF PREVIOUS MEETING Extra Ordinary meeting 21.10.2020		
	4	Chair	Attached
	MATTERS ARISING Action Tracker		
	5	Chief Internal Auditor	<i>Appendix-2020-AC12</i>
5.1	Progress Update on delivery of Internal Audit Annual Plan 2020/21 for Scottish Borders Health and Social Care Integration Joint Board		
5.2	Progress on implementation of Internal Audit Recommendations	Chief Internal Auditor	<i>Appendix-2020-AC13</i>
	6	Chair	Verbal
	ANY OTHER BUSINESS		
	7	Chair	Verbal
	DATE AND TIME OF NEXT		

MEETING

Monday 8 March 2021

2.00pm to 4pm

Microsoft Teams

Membership of Committee:-

Mrs K Hamilton (Chair), Councillor J Greenwell, Councillor T Weatherston, Mrs S Lam and Mr J Wilson

Iris Bishop, Board Secretary, Health & Social Care Integration Joint Board/Borders NHS Board

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Minutes of an **Extra Ordinary meeting of the Scottish Borders Health & Social Care Integration Joint Board Audit Committee** held on 21 October 2020 at 9.15am via Microsoft Teams

Present: Mrs K Hamilton, Chair NHS Borders (Chair)
Cllr J Greenwell, Elected Representative, Scottish Borders Council
Cllr T Weatherston, Elected Representative, Scottish Borders Council
Mr J Wilson, Lay Member

In Attendance: Miss I Bishop, Board Secretary
Mr R McCulloch-Graham, Chief Officer Health & Social Care
Mrs G Woolman, Audit Scotland
Mr A Haseeb, Audit Scotland
Mr P McMenamin, Finance Business Partner
Mrs J Stacey, Chief Internal Auditor
Mr C McClelland, Audit Scotland
Mr D Robertson, Chief Financial Officer

1. Apologies and Announcements

Apologies had been received from Mrs Sonya Lam, Non Executive and Mr Andrew Bone, Director of Finance NHS Borders.

The Chair welcomed Mr Paul McMenamin, Finance Business Partner, NHS Borders who deputised for Mr Andrew Bone.

The Chair welcomed Mrs Gillian Woolman, Mr Asif Haseeb and Mr Chris McClelland from Audit Scotland.

The Chair confirmed the meeting was quorate.

2. Declarations of Interest

The Chair sought any verbal declarations of interest pertaining to items on the agenda.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted there were none.

3. Minutes of Previous Meeting

The minutes of the previous meeting held on 31 August 2020 were approved.

4. Matters Arising

Mrs Gillian Woolman referred to section 4 of the minutes and provided feedback on how other partnerships were fulfilling their Section 95 requirement. She advised that she had looked at 4 other partnerships and in Aberdeenshire the CFO role was undertaken on a rotational arrangement in addition to the substantive Chief Financial Officer or Director of Finance role. She suggested it was an interesting comparative body and might be worthy of further exploration.

Mr Rob McCulloch-Graham commented that he was hopeful of a local solution being achieved by the end of November 2020.

Mr Rob McCulloch-Graham confirmed that he was on track to complete action 9 on the action tracker.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted the action tracker.

5. Annual Accounts 2019/20

Mr Paul McMenemy provided an overview of the Annual Accounts 2019/20. He confirmed that on 2 August Mr Mike Porteous, had concluded his secondment to the post of Chief Financial Officer (CFO) for the partnership. The position remained vacant with a requirement to appoint a proper Section 95 Officer. Mr David Robertson, Section 95 Officer for Scottish Borders Council had taken on the position of Interim CFO for the Integration Joint Board (IJB) in order to ensure the accounts process could be properly concluded.

He reported that the unaudited accounts were to be published by 30 June each year with audited accounts published by 30 September each year. Given the impact of the COVID-19 Pandemic across public bodies, flexibility was granted to be able to delay the production of unaudited accounts. Mr McMenemy advised that Mr Malcolm Dickson had emailed through some narrative amendments which he was content to include.

Mr McMenemy highlighted the key messages within the accounts: underspend of £3.1m against delegated budgets; large hospital budget retained by NHS Borders; set aside budget position; delegated budget underspend was in regard to ring fenced NHS funding received by the partnership; additional contributions received from both NHS Borders and Scottish Borders Council; application of reserves policy; risk associated with carry forward funding especially in regard to the Older Peoples Change Fund; potential risk of Scottish Government clawing back ring fenced funding from NHS Borders given its on-going requirement for brokerage.

Mr McMenemy reiterated that the partnership budget would remain under pressure for the current and future years.

Cllr Tom Weatherston commented that he was happy to recommend approval of the accounts and supported the amendments proposed by Mr Dickson.

Mr Jim Wilson commented that he was supportive of the accounts and highlighted the point of emerging from the pandemic.

Mr McMenamain advised that he would incorporate Mr Dickson's amendments and that he had also prepared a more sensitive sentence in regard to emerging from the pandemic.

Mrs Jill Stacey highlighted the changes that had been made to the annual governance statement since it had been presented to the committee on 31 August.

Mr David Robertson commented that it had been a unique year for the IJB. There had been a significant set of challenges in pulling together the annual accounts for 2019/20 and he thanked the Auditors for the way they had conducted the audit process and recognised the contribution of Mr McMenamain to the whole process. He reiterated one of the strengths of the partnership in terms of underwriting abilities which provided the IJB with a certain amount of stability of its financial position and he welcomed the reserves policy application in terms of the underlying financial position.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** noted the 2019/20 Annual Accounts (audited).

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** recommended approval of the report and the 2019/20 Annual Accounts.

6. Audit Scotland's Audit Report and Management Letter

Mrs Gillian Woolman presented the Audit Scotland report and management letter. She advised that everything was subject to satisfaction of final amendments and drew the attention of the Committee to page 6 and the proposed unmodified opinion. In terms of the Annual Audit she referred to the key messages on page 4 and focused on part 1 of the document which included all the work done on the annual accounts and the impact of COVID-19.

The Chair welcomed the report as simple and easy to understand and commented that it gave a clear direction on what the IJB should be looking to achieve the following year, with marker points and milestones to that achievement. She thanked Mrs Woolman and her team for pulling the report together whilst also recognising the difficulties that Audit Scotland would have experienced due to the pandemic.

Mr Jim Wilson echoed the Chairs comments and on the quality of the report and the appendix and suggested the Committee look at its standing items of business moving forward.

Mr Rob McCulloch-Graham offered his thanks to Audit Scotland for their interaction with the partnership in the preparation of their report.

Mrs Jill Stacey referred to paragraph 44 and the potential for the role of the IJB to be overstated. Mrs Woolman commented that the observations were fair given the level of reliance on partners and key systems of control and conduct. She reminded the Committee that the IJB was constituted as a separate body and was responsible for the commissioning of

some £200m of services. She suggested he IJB would not be immune by association should anything go wrong.

Mr McCulloch-Graham recorded his thanks to Mr McMenemy and recognised the points raised by Mrs Woolman. He commented that the partnership was in a better position than in the past and an infrastructure would be put in place and his role would move to more commissioning than operational in the near future.

Cllr John Greenwell commented that paragraph 43 referred to reserves and he enquired if they would be in jeopardy if as Mr McMenemy had eluded to earlier the Scottish Government clawed back brokerage funding from NHS Borders. Mr McMenemy advised that it was currently unknown as to whether that potential risk would materialise.

The **SCOTTISH BORDERS HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD AUDIT COMMITTEE** accepted the report and management letter.

6. Any Other Business

The Chair confirmed that none had been notified.

7. Date and Time of Next Meeting

The Chair confirmed that the next meeting of the Scottish Borders Health and Social Care Integration Joint Board Audit Committee would be held on Monday 7 December 2020 at 2.00pm via MS Teams.

Signature:
Chair

Scottish Borders Health & Social Care Integration Joint Board Audit Committee



Action Tracker

Meeting Date: 8 June 2020

Action Number	Reference in Minutes	Action	Action by:	Timescale	Progress	RAG Status
9	4	Provide updates on service areas experiencing delay in as a result of pandemic response.	Rob McCulloch-Graham	December 2020	31.8.20: Report to be presented to IJB Audit Committee at the December 2020 meeting.	
10	NEW					

Page 7

Key:	
	Overdue / timescale TBA
	<2 weeks to timescale
	>2 weeks to timescale
Blue	Complete – Items removed from action tracker once noted as complete at each H&SC IJB Audit Committee meeting

Agenda Item 4

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Scottish Borders Health & Social Care
Integration Joint Board Audit Committee



Meeting Date: 7 December 2020

Report By	SB IJB Chief Internal Auditor
Contact	Jill Stacey
Telephone:	01835 825036

PROGRESS UPDATE ON DELIVERY OF INTERNAL AUDIT ANNUAL PLAN 2020/21 FOR SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD

Purpose of Report:	To present an update on progress with the delivery of the Internal Audit Annual Plan 2020/21 for the Scottish Borders Health and Social Care Integration Joint Board (SBIJB) and to set out a list of Internal Audit reports by partners' Internal Auditors presented to their respective Audit Committees which are relevant to SBIJB for assurance purposes.
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Recommendations:	<p>The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to:</p> <ul style="list-style-type: none">(a) consider whether it is satisfied with the progress made in the first six months of the year to deliver the approved Scottish Borders Health and Social Care Integration Joint Board Internal Audit Annual Plan 2020/21 (Appendix 1); and(b) consider the list of Internal Audit reports by partners' Internal Auditors presented to their respective Audit Committees that are relevant to SBIJB for assurance purposes (Appendix 2), consider the assurances contained therein, and provide any commentary thereon.
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Personnel:	The Internal Audit service to SBIJB is provided by Scottish Borders Council's Internal Audit team. Staff assigned to perform the SBIJB Internal Audit work hold relevant professional qualifications and have the necessary experience, knowledge, skills and competencies (such as the Code of Ethics set out in the Public Sector Internal Audit Standards (PSIAS)) needed to deliver the plan.
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Carers:	There is no direct impact on carers arising from the contents of this report.
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Equalities:	There are no direct equalities and diversities implications for the SBIJB arising from the contents of this report.
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Financial:	There are no direct financial implications for the SBIJB arising from the contents of this report.
Legal:	<p>The Scottish Borders Health and Social Care Integration Joint Board (SBIJB), established as a separate legal entity as required by the Public Bodies (Joint Working) (Scotland) Act 2014, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Scottish Borders partnership area, based on resources which have been delegated to it by the partners, Scottish Borders Council and NHS Borders.</p> <p>The SBIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The establishment of robust Risk Management and Audit arrangements is one of the key components of good governance and will be critical to the capacity of the SBIJB to function effectively.</p>
Risk Implications:	<p>Key components of the audit planning process include a clear understanding of the SBIJB's functions, associated risks, and potential range and breadth of audit areas for inclusion within the plan. As in previous years, the SBIJB Internal Audit Annual Plan 2020/21 has been informed by the risks, controls and mitigation actions as set out within the SBIJB's Strategic Risk Register to ensure that Internal Audit plans are risk-based and provide relevant assurance. Furthermore, key stakeholders have been consulted and the Audit Plan has been informed by key developments at both a national and local level and other relevant background information, for example the Strategic Plan. Discussions with the SBIJB's Chief Officer and interim Chief Finance Officer will continue on a regular basis to ensure Internal Audit assurance meet the needs of the SBIJB and Management and other key stakeholders.</p> <p>The PSIAS require Internal Audit to evaluate the effectiveness of the SBIJB's Risk Management arrangements and contribute to improvements in the process. Each Internal Audit assignment will be risk-based and will test the SBIJB's management of risk.</p> <p>The SBIJB Internal Audit Annual Plan 2020/21 should be considered to be flexible and has been periodically reviewed to ensure it reflects any new arrangement or changing risks and priorities. There are no amendments at this time relating to the SBIJB Internal Audit Annual Plan 2020/21 that require approval by the SBIJB Audit Committee.</p> <p>It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of SBIJB Management implementing the Internal Audit recommendations made during the year or outstanding from previous years.</p> <p>In addition to its own governance arrangements, the SBIJB</p>

	places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners. Where appropriate, existing mechanisms embedded within both NHS Borders and Scottish Borders Council will continue to be used to provide assurance to the SBIJB.
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Background

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the SBIJB's Chief Internal Auditor to prepare an annual report that incorporates the statutory audit opinion on the adequacy and effectiveness of SBIJB's framework of governance, risk management and control, a summary of the work that supports the opinion, and a statement on conformance with the PSIAS.
- 1.2 The Scottish Borders IJB Internal Audit Annual Plan 2020/21 approved by the SBIJB Audit Committee on 9 March 2020 includes sufficient work to enable the SBIJB Chief Internal Auditor to prepare the statutory independent and objective audit opinion to the year ending 31 March 2021.
- 1.3 In addition to its own governance arrangements, the SBIJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners. This includes the existing mechanisms embedded within both NHS Borders and Scottish Borders Council for provision of Internal Audit assurances to their respective Audit Committees.

2 Progress Update

- 2.1 The Appendix 1 to this report provides details of the half yearly progress by Internal Audit with its work activity to deliver the approved SBIJB Internal Audit Annual Plan 2020/21. Those audits which are underway to reflect their continuous audit approach are highlighted in light shading and those scheduled for the second half of the year are not shaded. The SBIJB Internal Audit Annual Plan 2020/21 should be considered to be flexible and has been periodically reviewed to ensure it reflects any new arrangement or changing risks and priorities. There has been a delay to one element of the Internal Audit work due to Covid-19 during the first half of the year though this has been rescheduled. There are no amendments at this time relating to the SBIJB Internal Audit Annual Plan 2020/21 that require approval by the SBIJB Audit Committee, though there is a change of format.
- 2.2 The continuous audit approach which is applied to Internal Audit work for the SBIJB enables Internal Audit to provide added value advice on internal controls and governance and 'critical friend' consultancy services as the SBIJB continues to develop its governance and transforms its service delivery.
- 2.3 The Appendix 2 to this report provides the list of Internal Audit reports by partners' Internal Auditors presented to their respective Audit Committees that are relevant to SBIJB for assurance purposes with a summary of assurances contained therein. The SBIJB Chief Internal Auditor will take account of these assurances from partners' Internal Auditors to provide assurance to the SBIJB.

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Ref	Category	Audit	Commentary	Status
Page 13	1.	Assurance Internal Control, Governance and Risk Management	<p>Assess the SBIJB's corporate governance and risk management arrangements in place to deliver services to meet the needs of service users and the strategic priorities for health and social care integration set out in the revised Strategic Plan. Test a sample of the key elements in the SBIJB Local Code of Corporate Governance (updated and approved by SBIJB 17 September 2018 on recommendation by the SBIJB Audit Committee 25 June 2018) as an integrated toolkit to determine whether these are operating effectively.</p> <p>Prepare an annual assurance report for SBIJB Management and SBIJB Audit Committee that includes the statutory internal audit opinion on the adequacy of the SBIJB's arrangements for risk management, governance and internal control for delegated resources. Used to inform SBIJB's Annual Governance Statement.</p>	<p>Ongoing follow-up on implementation of actions on Areas of Improvement set out in the Annual Governance Statement 2019/20.</p> <p>Annual evaluation of compliance with and effectiveness of SBIJB's Local Code of Corporate Governance and annual evaluation of effectiveness of SBIJB's internal controls and governance arrangements scheduled 4th Quarter.</p> <p>Reliance will be placed on relevant work of partners' Internal Audit providers.</p>
	2.	Assurance Financial Governance, including key Internal Financial Controls	<p>Assess the SBIJB's processes in place to ensure appropriate accountability for financial management of financial resources delegated to the partnership to deliver efficient and effective services, including progress in achieving efficiencies and transformation, and to meet the priorities for health and social care integration set out in the Strategic Plan.</p>	<p>Continuous audit on financial planning, monitoring and reporting processes.</p> <p>Reliance will be placed on relevant work of partners' Internal Audit providers.</p>
	3.	Assurance Contracts and Commissioning	<p>Assess the SBIJB's corporate governance arrangements in place to redesign service delivery to meet the needs of service users and align with Strategic Plan priorities, with a focus on contracts and commissioning arrangements to inform strategies and plans from November/December 2020.</p>	<p>Audit work delayed from first half of the year due to Covid-19 response. Rescheduled 3rd Quarter.</p> <p>Reliance will be placed on relevant work of partners' Internal Audit providers.</p>
	4.	Assurance Performance Management	<p>Assess whether there is appropriate alignment of performance measures in the SBIJB's Performance Management Framework to key priorities and outcomes of the Strategic Plan and validate the evidence of improvement of health and wellbeing within the Scottish Borders through integrating health and social care services.</p>	<p>Scheduled 4th Quarter.</p> <p>Reliance will be placed on relevant work of partners' Internal Audit providers.</p>

Ref	Category	Audit	Commentary	Status
5.	Other	Recommendations Follow Up Review	Follow-up on progress by Management with implementation Audit Actions by the agreed date relating to areas of improvement recommended in 2019/20 audit assurance work and check on the adequacy of new internal controls.	Ongoing. Follow Up Report scheduled 3rd Quarter. Reliance will be placed on relevant work of partners' Internal Audit providers.
6.	Other	Partners' assurance	Review assurance from partners' Internal Audit providers, i.e. Grant Thornton for NHS Borders and in-house team for Scottish Borders Council, through their work undertaken that is relevant to health and social care integration.	Six monthly reports scheduled for presentation to SBIJB Audit Committee in June and December. First six-monthly report delayed; Report scheduled 3 rd Quarter to cover full 12 months of partners' assurance.
7.	Other	Administration of Audit Scotland Reports	Monitor publication of Audit Scotland and other national reports and co-ordinate submission by Management of relevant national reports to the SBIJB Audit Committee / Board that give rise to introducing best practice arrangements or lessons learned from other organisations to enable Management to evidence improvements in health and social care integration practices on a continuous basis.	Ongoing coordination of Management presenting reports to SBIJB or its Audit Committee to ensure transparency of best practice and lessons learned from other organisations as part of continuous improvement.
8.	Other	Audit Committee Self-Assessment	Provide assistance to Chair in undertaking a self-assessment of the SBIJB Audit Committee against the CIPFA best practice guidance.	SBIJB Chief Internal Auditor facilitated annual SBIJB Audit Committee Self-Assessment during an Informal Session on 9 March 2020. The Chair's Report to SBIJB Audit Committee 8 June 2020 and to SBIJB 19 August 2020. Identified improvement actions in progress.
9.	Other	Attendance at Boards / Committees	Attend IJB meetings to observe planning, approval, monitoring and review activity of business and performance. Prepare for and attend SBIJB Audit Committee meetings.	Ongoing. In addition, SBIJB Chief Internal Auditor meets with Chair of SBIJB Audit Committee prior to each meeting.
10.	Other	Audit Planning for 2021/22	Renew risk assessment, develop and consult on proposed coverage within the SBIJB Internal Audit Annual Plan 2021/22.	Scheduled 4th Quarter.

Scottish Borders Council's Internal Audit function will provide 45 days to support the delivery of the Plan.

Below is the list of Internal Audit reports by partners' Internal Audit providers (SBC Internal Audit for Scottish Borders Council; Grant Thornton for NHS Borders from second half of 2019/20 and first half of 2020/21) that have been presented to their respective Audit Committees which are relevant to SBIJB for assurance purposes, with a summary of assurances contained therein.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>Scottish Borders Council Audit and Scrutiny Committee</p> <p>25 November 2019</p> <p>(Source: Agenda, Reports and Minutes published on website modern.gov)</p>	Attendance Management	To ensure there are adequate controls in place to manage short and long term absences to minimise the impact on service delivery.	<p>Substantial assurance for Policy and Procedures and Limited assurance for Processes (monitoring, reporting & action planning) and Managers training.</p> <p>The policies and procedures for attendance management are readily available on the intranet and were last updated in February 2018, though they require further update. Our review showed that less than 5% of current (525) Line Managers have completed any kind of attendance management training during the last 3 years.</p> <p>Two recommendations (2 Medium) have been agreed with Management to improve compliance with policies in practice.</p>
<p>Scottish Borders Council Audit and Scrutiny Committee</p> <p>10 February 2020</p> <p>(Source: Agenda, Reports and Minutes published on website modern.gov)</p>	Health and Safety	To assess whether the Council is complying with relevant Health and Safety legislation, has a structured approach to Health and Safety awareness, including the use of the new Health and Safety Management system (LEXI), to ensure there are adequate and effective controls in place for health and safety (H&S).	<p>Substantial assurance for Policy, Procedures & LEXI system; and Limited assurance for the Application through Processes and Training. There is scope for improvement on the 2nd line of defence of H&S compliance and monitoring such as: develop reporting from the LEXI system; consider mandatory training; disseminate H&S information; reporting to Senior Management and Elected Members.</p> <p>Two recommendations (2 Medium) have been agreed with Management to address internal control issues raised. Managers and Staff will be responsible for compliance with policies and undertaking training to apply these in practice.</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Scottish Borders Council Audit and Scrutiny Committee 10 February 2020 (cont'd)	Adult Social Care - Learning Disability Service	To assess whether governance and accountability arrangements for Adults with Learning Disabilities ensure obligations are met to deliver integrated social work and health learning disability services via partnership working.	Good practice was found: Extensive work has been completed in relation to the transition process from children to adults. Substantial assurance for overall governance, budgetary management, procurement and contract management, partnership working, and risk management, and Limited assurance for review of policies and procedures, and mandatory training. Two recommendations (2 Medium) have been agreed with Management to address internal control issues raised.
Scottish Borders Council Audit and Scrutiny Committee 10 March 2020 (Source: Agenda, Reports and Minutes published on website modern.gov)	Property Asset Management	To gain assurance that the Council has a structured Property Management Framework and an associated property maintenance programme for its buildings, other property and facilities to ensure they are fit for purpose, and has accurate records to demonstrate efficient and effective use.	Comprehensive assurance. Areas of good practice were found, covering: Property Management Framework which complies with procurement standards; Condition Survey inspection policy and practices within a five year cycle with results recorded in Technology Forge system that is used to inform the allocation of the Revenue and Capital budget; Effective budget monitoring; and Appropriate Performance measurement and reporting. No recommendations.
	Corporate Transformation Programme: Fit for 2024	To review the new governance and accountability arrangements of the Fit for 2024 corporate transformation programme structure, including processes for benefit (financial and other) identification, tracking and realisation (return on investment and value for money) and evaluation of outcomes and lessons learned.	Programme and project management arrangements have been developed which reflect more fully the interconnected nature of transformational activity; Finance, HR and IT Business Partners and Business Support work together. Staff and partner engagement sessions have taken place or are underway in alignment with the phases of the Service Reviews. There was focus on what implementation plans and assumptions there are within Fit for 2024 for Years 2-5 as part of the budget process. Processes are in place to ensure that progress with delivery of projects within Fit for 2024 are monitored and reported, including evidence of appropriate scrutiny and oversight. Substantial assurance. Three recommendations (2 Medium; 1 Low) have been agreed with Management to assist with the efficient and effective delivery of Fit for 2024 programme.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Scottish Borders Council Audit and Scrutiny Committee 10 March 2020 (cont'd)	ICT Security	To assess the adequacy of the ICT security arrangements including: physical and environmental controls; disaster recovery; third party access; operational controls (change / incident / problem management) and business applications, to ensure they are designed appropriately and that all parties are adhering and complying with them. Review of Public Services Network (PSN) compliance and Cyber Essentials requirements.	Areas of good practice were found, including: a security management plan covers the scope in the SBC/CGI contract; third party access is effectively managed and controlled; and the process to apply software patches is effectively controlled. Whilst a IT Disaster Recovery Policy and Plan exist, review and testing of the Plan had been limited due to the imminence of the transfer to a new Data Centre. Substantial assurance. Two recommendations (2 Medium) have been agreed with Management to mitigate the risks of inappropriate use of IT accounts by former employees and incurring avoidable costs in subscription licences
	Information Governance	To examine the Information Governance Framework including roles and responsibilities, review policy development and implementation, assess compliance with legislation, and provide annual assurance to the Senior Information Risk Owner and Data Protection Officer.	The Information Governance Group (IGG) continued to meet quarterly throughout the year with formal agendas and minutes scheduled around 4 themes (Information Governance; Records Management; Information Security and Information Sharing; Data Protection and Information Access). Substantial assurance. No recommendations as Management Actions are underway to ensure that the mandatory training completion rate is achieved and to improve attendance at IGG meetings of staff from Services with low completion rates.
	Internal Audit Charter	To define the purpose, authority and responsibility of the Internal Audit activity, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards in the PSIAS.	The Internal Audit Charter has been updated in conformance with the PSIAS for approval by the Audit and Scrutiny Committee to ensure that Internal Audit is tasked to carry out its role in accordance with best practice.
	Internal Audit Strategy and Plan 2020/21	To set out the Council's assurance framework and the Chief Audit Executive's strategy for discharging the Internal Audit role and providing the necessary annual assurance opinions, and propose the planned programme of Internal Audit work for the year.	The Internal Audit Strategy to meet the Internal Audit Charter and the proposed Internal Audit Annual Plan 2020/21 that sets out the range and breadth of audit areas and sufficient work within the audit programme of work to enable the CAE to prepare an Internal Audit annual opinion. Key components of the audit planning process include a clear understanding of the organisation's functions, associated risks, and assurance framework.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>Scottish Borders Council Audit and Scrutiny Committee</p> <p>23 June 2020</p> <p>(Source: Agenda, Reports and Minutes published on website modern.gov)</p>	<p>Contracting and Procurement</p>	<p>To assess the procurement processes and internal controls to ensure these adequately address the key risks, and to assess compliance with the procurement framework and adequacy of contract monitoring.</p>	<p>The Commercial and Commissioned Services Strategy sets out the role of strategic procurement in supporting the need to 'do more with less' and with the challenges that the Council faces requires an imaginative and commercially-focussed approach to how the supply chain and suppliers are engaged and managed.</p> <p>Substantial assurance. Three recommendations (2 Medium; 1 Low) have been agreed with Management to make improvements, such as updating procurement standing orders, enhancing Management oversight and scrutiny of procurement activity, and completing staff training.</p>
	<p>Business World ERP System Key Internal Controls</p>	<p>Integration of 4 audits 2019/20 relating to the workstreams (Record to Report; Procure to Pay; Payroll including Pension Payments & HR; Sales to Cash) to test the end to end processes and internal controls in place during the period April 2019 to February 2020.</p>	<p>Comprehensive Assurance (Payroll / HR), Substantial Assurance (Procure to Pay; Sales to Cash; Record to Report; Systems Documentation and Training Materials) and Limited Assurance (GL07; Expenses; System Roles / User Access).</p> <p>Eight recommendations (5 Medium; 3 Low) have been agreed with Management to make improvements (5 P2P; 1 S2C; 2 Payroll / HR).</p>
	<p>Internal Audit Annual Assurance Report 2019/20</p>	<p>To provide the statutory annual internal audit opinion on the adequacy of the Council's overall control environment.</p>	<p>The systems of internal control, governance and risk management within the Council are operating satisfactorily. A common theme from Internal Audit findings during the year was the importance of Management ensuring that staff undertake training on a wide variety of topics to ensure that they have the up-to-date knowledge to fulfil their role, and to mitigate any associated risks. Internal Audit reports during the year confirm improvements in internal controls, governance, and risk management through Management-initiated improvements complemented by the implementation of audit recommendations. Reasonable assurance can be provided on the adequacy of the internal controls and governance arrangements in place. Opinion has been used to inform the Chief Executive's Annual Governance Statement 2019/20.</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Scottish Borders Council Audit and Scrutiny Committee 28 September 2020 (Source: Agenda, Reports and Minutes published on website modern.gov)	Asset Registers	To consider the adequacy of systems, processes and controls that are in place to ensure complete and accurate records of all Property, Fleet, and IT assets that underpin Asset Management Plans to deliver Council's strategies, plans and priorities, including the data migration and transition to utilising Technology Forge Cloud.	Substantial assurance. Areas of good practice were found, including: Regular reconciliations; complete and accurate Data Migration; and review of assets. There is, however, some scope for improvement in the formalisation of SAMPs for IT and Fleet assets and development of a SAMP for Property assets in line with best practice. No recommendations as there are Management Actions underway.
	Cyber Essentials	To examine the self-evaluation and evidence associated with Cyber Essentials requirements.	Comprehensive assurance. The Council is required to obtain Cyber Essentials certification each year. The certification process reviews the Council's corporate network and security arrangements. The process certifies that the Council meets a level of security which minimises the risk of vulnerability to common security attacks. Some improvements in a few, relatively minor, areas were identified during the review by the certifying body and these have been addressed.
Scottish Borders Council Audit and Scrutiny Committee 22 October 2020 (Source: Agenda, Reports and Minutes published on website modern.gov)	Performance Management (LGBF)	To validate the Council's Performance Indicators which are reported on an annual basis to the Improvement Service as part of the Local Government Benchmarking Framework (LGBF).	Substantial assurance. The final figures for the 11 (Corporate; Corporate Assets; Culture & Leisure; and Environment) performance indicators provided and reported in the LGBF return 2019/20 are reasonable and accurate, after noted amendments. The individual data collection methods applied by the Services are adequate though there is scope for improvement in the process and Management oversight (previous year outstanding recommendation) to ensure data is complete, accurate and provided on time.
	Social Work Locality Payments	To assess the internal financial controls and business administrative procedures in place to ensure the efficient and effective use of resources, including evaluation of the systems and processes. This review focused on the policies, procedures and processes required for the administration of allpay cards for Social Work (SW) Localities as a result of the COVID-19 pandemic.	Comprehensive assurance. The Service reacted quickly to a unique fast changing situation in order to continue making financial support payments to both Corporate Appointees and recipients of Section payments; there is recognition of the shift from cash to electronic methods which is still progressing. Some system enhancements in a few, relatively minor, areas had been identified and were being explored by Management. No recommendations were made.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee</p> <p>12 December 2019</p> <p>(Source: Minutes of meeting on NHS Borders website)</p>	<p>Audit Follow-Up Report</p>	<p>Planned follow-up on progress by Management with implementation of Internal and External Audit recommendations.</p>	<p>Reported that for both Internal and External Audit recommendations a total of 22 had been implemented and could be closed, 13 were ongoing with revised dates for implementation and 8 were not yet due. Managers would be held to account and asked to attend the Audit Committee should they not meet the revised deadlines. Assurance that the higher risk recommendations had been implemented.</p>
	<p>Internal Audit Report – GDPR and Information Governance</p>	<p>Planned assurance audit 2019/20.</p>	<p>Partial level of assurance in respect of GDPR and Information Governance controls with improvement required. One medium-rated and two low-rated recommendations. There are good practices in place and good work has taken place. Areas which require improvement, namely the completion rate of the Information Governance training module to ensure staff are suitably trained in Information Governance and GDPR and the Information Asset Register remaining actions.</p>
	<p>Internal Audit Report – Public Involvement and Engagement</p>	<p>Planned assurance audit 2019/20.</p>	<p>Partial level of assurance with improvement required. Two medium-rated and one low-rated recommendations. Highlighted that although areas for improvement were noted, it was recognised that NHS Borders are aware of the importance of public involvement and engagement to give patients and the public an opportunity to say how best to deliver health services in the Borders.</p>
	<p>Internal Audit Report – Review of Board Supporting Committee’s Governance</p>	<p>Planned assurance audit 2019/20.</p>	<p>Partial level of assurance with improvement required. One high-rated, four medium-rated and two low-rated recommendations. Recognised that work had taken place at the Board Development session on 7th November 2019 where there had been a review of all the Governance Committees.</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee</p> <p>23 March 2020</p> <p>(Source: Minutes of meeting on NHS Borders website)</p>	Internal Audit Report – Risk Management	Planned assurance audit 2019/20.	Partial level of assurance with improvement required and included a high risk-rated recommendation which was in all cases the risk management process is not being followed. The audit recommendations will be monitored through the audit follow-up process and the Director of Public Health has been asked to provide an update report to the Committee in 6 month’s time.
	Internal Audit Report – Budget Setting Arrangements	Planned assurance audit 2019/20.	The Committee noted the report which was rated as providing assurance with improvement required.
	Internal Audit Report – Blueprint for Good Governance	Planned assurance audit 2019/20.	The Committee noted the report which was rated as providing assurance with improvement required.
	Internal Audit Report – Duty of Candour	Planned assurance audit 2019/20.	The Committee noted the report which was rated as providing assurance with improvement required.
	Internal Audit Plan for 2020/21	Planned programme of Internal Audit work for the year.	Audit Committee members had a session with Internal Audit on the 17th February 2020 providing an opportunity to comment on the draft plan. The Internal Audit Plan for 2020/21 was approved.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee</p> <p>15 June 2020</p> <p>(Source: Minutes of meeting on NHS Borders website)</p>	<p>Internal Audit Report – Engagement and Ongoing Transformation</p>	<p>Planned assurance audit 2019/20.</p>	<p>Concluded that the processes provide a significant level of assurance with some improvement required. Confirmed that there had been good progress with Financial Turnaround across the organisation to drive forward improvements.</p>
	<p>Internal Audit Plan Progress Update</p>	<p>Update on delivery of Plan 2019/20</p>	<p>The Health & Social Care Integration audit was noted as the only audit outstanding from the 2019/20 Internal Audit Plan. This had been deferred until 2020/21 as per agreement with the Director of Finance.</p> <p>The Committee emphasised the importance of this audit being undertaken but appreciated that the scope may require to be revisited.</p>
	<p>Internal Audit Annual Report 2019/20</p>	<p>Provide the statutory annual internal audit opinion on the adequacy of NHS Borders’ governance, internal controls and risk management.</p>	<p>The report captured and summarised all the work undertaken during 2019/20. Internal Audit opinion stated that reasonable assurance can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. Of the 8 reviews performed in 2019/20, Internal Audit issued 1 ‘Significant Assurance’ and 7 ‘Partial Assurance’ reports and raised 29 recommendations. Of these, 2 were classified as high risk and both were in relation to Risk Management arrangements. Expected these to be referred to within the Governance Statement of NHS Borders.</p>
	<p>2020/21 Internal Audit Plan Update</p>	<p>Update on the Planned programme of Internal Audit work for the year in light of Covid-19 pandemic.</p>	<p>The report provided an update on how Covid-19 pandemic has impacted on Grant Thornton with people working remotely for the majority of audits. Due to Covid-19 three potential areas for audit were being suggested (Governance, Covid Financial Controls, and Changes in Internal Control).</p> <p>The Committee noted the update and agreed that the original plan should be followed and to integrate these suggestions into the audits already within the plan.</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee</p> <p>14 September 2020</p> <p>(Source: Chair’s Audit Committee Update to the Board 24 September 2020 on NHS Borders website)</p>	<p>Audit Follow Up Report</p>	<p>Planned follow-up on progress by Management with implementation of audit recommendations.</p>	<p>It was noted that a number of recommendations have been brought forward from previous audits going as far back as 2014/15. These are of low and medium risk.</p> <p>The Committee asked that the Board Executive Team provide specific focus to progress these actions which will be reviewed through the audit follow up process and an update report will be received at the December 2020 Audit Committee.</p>
	<p>2020/21 Internal Audit Plan Update</p>	<p>Further update on the Planned programme of Internal Audit work for the year in light of Covid-19 pandemic.</p>	<p>The Committee noted that the Internal Audit Plan had been flexed to accommodate the availability of the management team during the Covid19 pandemic. The Committee will receive three final audit reports at its meeting in December 2020, namely Estates and Facilities, Delayed Discharges (IJB) and Pharmacy Contracts. In regard to the Financial Transformation audit due to be undertaken in February 2021, it was recognised that circumstances have changed and there will be further discussion with Internal Audit on how this audit will be progressed.</p>
	<p>Internal Audit Charter 2020/21</p>	<p>To define the purpose, authority and responsibility of the Internal Audit activity, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards in the PSIAS.</p>	<p>The Committee received the Internal Audit Charter for 2020/21 which sets out how Internal Audit complies with public sector standards.</p>

The SBIJB Chief Internal Auditor will take account of these assurances from partners’ Internal Audit providers to provide Internal Audit assurance to the SBIJB.

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Scottish Borders Health & Social Care
Integration Joint Board Audit Committee



Meeting Date: 7 December 2020

Report By	SB IJB Chief Internal Auditor
Contact	Jill Stacey
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PROGRESS ON IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

Purpose of Report:	To provide an update to Members of the IJB Audit Committee on the status of the implementation by Management of recommendations made and agreed in the Internal Audit Annual Assurance Report 2019/20 for the Scottish Borders Health and Social Care Integration Joint Board.
Recommendations:	The Scottish Borders Health & Social Care Integration Joint Board's Audit Committee is asked to: <ul style="list-style-type: none"> a) Acknowledge the progress made by Management in implementing Internal Audit recommendations to improve internal controls and governance, and mitigate risks; b) Consider whether it is satisfied with the progress or whether any further action is required; and c) Notes that Internal Audit will continue to monitor for completion the outstanding recommendations and will provide update reports to this Committee.
Personnel:	The Internal Audit service to SBIJB is provided by Scottish Borders Council's Internal Audit team. Staff assigned to perform the SBIJB Internal Audit work hold relevant professional qualifications and have the necessary experience, knowledge, skills and competencies (such as the Code of Ethics set out in the Public Sector Internal Audit Standards (PSIAS)) needed to deliver the plan.
Carers:	There is no direct impact on carers arising from the contents of this report.
Equalities:	There are no direct equalities and diversities implications arising from the contents of this report.
Financial:	There are no direct financial implications arising from the contents of this report.

Legal:	<p>The Scottish Borders Health and Social Care Integration Joint Board (SBIJB), established as a separate legal entity as required by the Public Bodies (Joint Working) (Scotland) Act 2014, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Scottish Borders partnership area, based on resources which have been delegated to it by the partners, Scottish Borders Council and NHS Borders.</p> <p>The SBIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. This includes implementation of audit recommendations to demonstrate continuous improvement in its internal controls, governance arrangements and risk management.</p>
Risk Implications:	<p>Internal Audit provides assurance to SB IJB Management and the Audit Committee on the adequacy and effectiveness of internal controls and governance within the Council, including risk management, highlights good practice and makes recommendations.</p> <p>It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of SBIJB Management implementing the Internal Audit recommendations made during the year or outstanding from previous years.</p> <p>In addition to its own governance arrangements, the SBIJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners.</p>

Background

- 2.1 Internal Audit is an independent appraisal function established for the review of the internal control system, delivered by Scottish Borders Council Internal Audit team as a service to the Scottish Borders Health and Social Care Integration Joint Board to provide the statutory Internal Audit annual assurance and opinion. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources and the management of risk.
- 2.2 The Internal Audit activity adds value to the organisation (and its stakeholders) when it considers strategies, objectives, and risks; strives to offer ways to enhance governance, risk management and control processes (by way of making audit recommendations); and objectively provides relevant assurance.
- 2.3 Management has the responsibility for ensuring that agreed audit actions are implemented to address the identified weaknesses and mitigate risks. At Internal Audit Final Report stage, the Audit Recommendations are input to Pentana, the Council's corporate performance management system. This is designed to assist with Management tracking of implementation, link with relevant risks and evidence improvement.

- 2.4 The Remit of the IJB Audit Committee includes the function to “receive reports and oversee and review progress on actions taken on audit recommendations and report to the IJB on these as appropriate”, as part of its high level oversight of the framework of internal control, risk management and governance within the Scottish Borders Health and Social Care Integration Joint Board. The Internal Audit Recommendations 2019/20 were included within the Internal Audit Annual Assurance Report 2019/20 presented to the IJB Audit Committee on 8 June 2020.
- 2.5 Internal Audit continues to perform its standard quarterly follow-up activity to check that audit recommendations have been implemented and to ensure that the new controls had the desired effect on improving internal control and governance, and reducing risk. Internal Audit meets regularly with the IJB Chief Officer to address any audit actions, and bring any matters to the attention of the IJB Audit Committee on a 6-monthly basis.

Summary

- 3.1 Details on the three Internal Audit recommendations made in 2019/20 are shown in Appendix 1, including the progress that has been made with their implementation as at 20 November 2020. The IJB Chief Officer has indicated that it will take longer than originally anticipated to fully implement the third recommendation and has requested an extension to its due date which has been approved by Internal Audit. The Pentana Risk system has been updated to reflect this.
- 3.2 A further update on progress with the implementation of audit recommendations will be included within the Internal Audit Annual Assurance Report 2020/21 for the Scottish Borders Health and Social Care Integration Joint Board which is scheduled for presentation to the IJB Audit Committee in June 2021.

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APPENDIX 1

Health & Social Care Integration Joint Board - Internal Audit recommendations – Update on Progress as at 20.11.20

Code	Title	Risk Rating	Status	Progress 20.11.20	Original Due Date	Due Date	Managed By	Assigned To	Update 20.11.20
Scottish Borders Health and Social Care Integration Joint Board 2019/20 (Final Report Issued 2 June 2020)									
AUDIT.128	(2019/20 HSC IJB Rec 1) Corporate Governance – Chief Financial Officer The Chief Financial Officer role is being fulfilled on an interim basis by a secondee until August 2020. Steps are required to recruit to the IJB CFO role on a permanent basis.	Medium	 In progress	 50%	31/12/20	31/12/20	 Chief Officer Health & Social Care Integration	 Chief Officer Health & Social Care Integration	The Chief Financial Officer secondment ended in August 2020 with the return of the secondee to substantive post in NHS Lothian. Recruitment processes during 2019 and early 2020, including advertising the vacancy and interviews being held, did not result in a permanent recruitment being made. Further options are underway to ensure sustainable resources for IJB are provided. (50%)
AUDIT.129	(2019/20 HSC IJB Rec 2) Corporate Governance – Directions An annual report setting out the Directions that the IJB has made to partner organisations would ensure that clarity and transparency can be demonstrated and aligned to performance and financial reporting.	Medium	 In progress	 50%	31/03/21	31/03/21	 Chief Officer Health & Social Care Integration	 Chief Officer Health & Social Care Integration	The Annual Performance Report 2019/20 presented to IJB on 23 September 2020 sets out performance between April 2019 and March 2020, outlines priorities for 2020/21, and reflects back on performance since April 2016 structured around the IJB's three strategic objectives. The report summarised the IJB decisions/Directions between April 2019 and March 2020. (50%)
AUDIT.130	(2019/20 HSC IJB Rec 3) Corporate Governance – Workforce Planning The IJB's Workforce Strategy 2017-2019 should be reviewed and updated to reflect any changes, progress made and future plans, and incorporate guidance from the Scottish Government report on integrated workforce planning (published December 2019).	Medium	 In progress	 20%	31/12/20	31/03/21	 Chief Officer Health & Social Care Integration	 Chief Officer Health & Social Care Integration	The refresh of Strategic Implementation Plan (SIP) identified the need to prioritise workforce issues. Workforce Support & Provision is now one of the ten priority areas which report into the SIP Oversight Group. The Strategic Planning Group (SPG) has requested that the Joint Staff Forum renews its Terms of Reference for the next meeting. (20%) Extension to due date required from 31 December 2020 to 31 March 2021 to ensure realistic timescales.

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