

**IJB AUDIT COMMITTEE
17 DECEMBER 2018****PROGRESS ON IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS****Aim**

- 1.1 The purpose of this report is 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 2017/18 for the Scottish Borders Health and Social Care Integration Joint Board.

Background

- 2.1 Internal Audit is an independent appraisal function established for the review of the internal control system, provided by Scottish Borders Council Internal Audit team as a service to the Scottish Borders Health and Social Care Integration Joint Board. 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 (previously Covalent), 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 2017/18 were included within the Internal Audit Annual Assurance Report 2017/18 presented to the IJB Audit Committee on 25 June 2018.
- 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 and IJB Chief Financial 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 six Internal Audit recommendations 2017/18 are shown in Appendix 1. The outcome is completion of three of the recommendations, and good progress on the remaining three, though two will take longer to fully implement than originally anticipated and Management have requested extensions to their due dates.
- 3.2 A further update will be included within the Internal Audit Annual Assurance Report 2018/19 for the Scottish Borders Health and Social Care Integration Joint Board which is scheduled for presentation to the IJB Audit Committee on 13 May 2019.

Recommendation

The Scottish Borders Health & Social Care Integration Joint Board's Audit Committee is asked to:

- (a) Acknowledge the progress made by Management in implementing Internal Audit recommendations;
- (b) Consider whether it is satisfied with the progress or whether any further action is required; and
- (c) Agree to the proposed extensions to due dates by Management for those actions that are unlikely to achieve their original due date.

Policy/Strategy Implications	Good governance, internal controls and management of risk will enable the IJB to pursue its vision effectively.
Consultation	The Chief Officer is the assigned owner of IJB Audit recommendations though relies on the work of others for their implementation.
Risk Assessment	Improved management of risk is anticipated to arise as a direct result of implementing the Internal Audit recommendations. If the Internal Audit recommendations are not implemented then risks may be more likely to occur or have a greater impact if they do.
Compliance with requirements on Equality and Diversity	It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.
Resource/Staffing Implications	There are no direct financial implications arising from the proposals in this report.

Approved by

Name	Designation
Rob McCulloch-Graham	Chief Officer Health and Social Care Integration

Author(s)

Name	Designation
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