

Scottish Borders Health & Social Care  
Integration Joint Board Audit Committee



Meeting Date: 7 December 2020

Report By	SB IJB Chief Internal Auditor
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**PROGRESS ON IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS**

<b>Purpose of Report:</b>	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.
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<b>Recommendations:</b>	<p>The Scottish Borders Health &amp; Social Care Integration Joint Board's Audit Committee is asked to:</p> <ol style="list-style-type: none"> <li>a) Acknowledge the progress made by Management in implementing Internal Audit recommendations to improve internal controls and governance, and mitigate risks;</li> <li>b) Consider whether it is satisfied with the progress or whether any further action is required; and</li> <li>c) Notes that Internal Audit will continue to monitor for completion the outstanding recommendations and will provide update reports to this Committee.</li> </ol>
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<b>Personnel:</b>	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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<b>Carers:</b>	There is no direct impact on carers arising from the contents of this report.
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<b>Equalities:</b>	There are no direct equalities and diversities implications arising from the contents of this report.
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<b>Financial:</b>	There are no direct financial implications arising from the contents of this report.
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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.