

*Scottish Borders Health & Social Care
Integration Joint Board Audit Committee*



Meeting Date: 9 December 2021

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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 Reports 2019/20 and 2020/21 for the Scottish Borders Health and Social Care Integration Joint Board.
Recommendations:	<p>The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to:</p> <ul style="list-style-type: none"> (a) Note the current status of progress made by Management in implementing Internal Audit recommendations to improve internal controls and governance, and mitigate risks; (b) Agree to the revised due dates of 31 March 2022 for the two overdue Internal Audit recommendations requested by the new IJB Chief Officer; and (c) Note 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 which reflects the Council's contribution of corporate support resources to partnership working. 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. 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>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>

1 Background

- 1.1 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.
- 1.2 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.
- 1.3 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 were included within the Internal Audit Annual Assurance Report 2020/21 that was presented to the IJB Audit Committee on 14 June 2021, some of which were brought forward from the previous year's report 2019/20 as they were not yet completed.

- 1.4 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.

2 Progress Update

- 2.1 There are currently four In-Progress Internal Audit recommendations for the Scottish Borders Integration Joint Board, all of which were those included within the Internal Audit Annual Assurance Report 2020/21 that was presented to the IJB Audit Committee on 14 June 2021. Three of which were brought forward from the previous year's report 2019/20 as they were not yet completed.
- 2.2 Following the retirement of the previous IJB Chief Officer in October 2021, the Chief Internal Auditor has met with the new IJB Chief Officer to ensure awareness of the four In-Progress Internal Audit recommendations. Monthly meetings have been arranged to continue the dialogue to ensure follow-up on their completion. The new IJB Chief Officer has provided comments on progress. Details are shown in Appendix 1.
- 2.3 For the two recommendations that became overdue as of 31 October 2021 (no. 1 appointment of dedicated SBIJB Chief Financial Officer, and no.4 Progress updates on MSG / Best Value actions), the new IJB Chief Officer has requested revised due dates of 31 March 2022 to ensure these represent realistic timescales for their full implementation. These have been approved by Internal Audit based on the further work required to fully implement these recommendations. The Audit Committee is asked to endorse this. The Pentana system will be updated to reflect this.
- 2.4 A further update on progress with the implementation of audit recommendations will be included within the Internal Audit Annual Assurance Report 2021/22 for the Scottish Borders Health and Social Care Integration Joint Board which is scheduled for presentation to the IJB Audit Committee in June 2022.