

Partners' Internal Audit Assurance 2021/22 (in part)

Appendix 2

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) that have been presented in the first half of 2021/22 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>29 June 2021</p> <p>(Source: Agenda, Reports and Minutes published on website modern.gov)</p>	<p>Follow-Up Review of Completed Internal Audit Recommendations</p>	<p>To review a sample of Internal Audit recommendations marked as completed by Management in the period January to December 2020 to assess the evidence that they had been implemented satisfactorily and to ensure that the new controls had the desired outcomes of improving internal control and governance, and reducing risk.</p>	<p>From the 13 recommendations tested, 7 were found to have been completed satisfactorily and 6 required further work.</p> <p>For the 7 Audit recommendations that were found to have been completed satisfactorily (Contracting & Procurement 2 Medium-rated 1 Low-rated; Peebles High School 1 Medium-rated; Looked After Children 2 Medium-rated; ICT Security 1 Medium-rated), the evidence that was provided by Management indicated that the Audit recommendations had been implemented satisfactorily and the action taken had the desired outcome of improving internal control and governance, and reducing risk. This provides assurance of evidence-based continuous improvement.</p> <p>Of the 6 Audit recommendations that were identified as requiring further work all were Medium-rated (1 Health and Safety; 5 Building Standards – Emergency Works). In all instances, action had been taken by Management to progress the recommendations though these had not been completed in their entirety to provide the improvements required and as initially agreed by Management. These Internal Audit recommendations have been re-opened on the Pentana system as 'in progress' to enable the remaining elements to be completed by relevant Management by the revised due dates (Health & Safety - 31 July 2021; Building Standards - Emergency Works - 31 August 2021).</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>Scottish Borders Council Audit and Scrutiny Committee</p> <p>29 June 2021 (cont'd)</p>	<p>Internal Audit Report - Risk Management</p>	<p>To assess progress on the implementation of corporate risk management improvement actions including policy, strategy, training and toolkits.</p>	<p>Substantial assurance. The Council continues to make progress in embedding Risk Management and awareness ensuring that the risks to achieving corporate objectives are systematically identified, analysed, evaluated, controlled, monitored and reported regularly. The Council's Risk Management Strategy and Policy were last reviewed in 2018, and are due for review and refresh to reflect current conditions and best practice in line with industry standards.</p> <p>Three recommendations (3 Medium) to enhance the risk management framework.</p>
<p>Scottish Borders Council Audit and Scrutiny Committee</p> <p>20 September 2021</p> <p>(Source: Agenda, Reports and Minutes published on website modern.gov)</p>	<p>Internal Audit Report – Performance Management Local Government Benchmarking Framework</p>	<p>To provide independent validation of performance indicators which are reported on an annual basis to the Improvement Service as part of the Local Government Benchmarking Framework (LGBF).</p>	<p>Substantial assurance. No recommendations. Validation testing found anomalies for only 1 of the indicators. It was agreed that this was an error and a revised performance indicator was submitted. Internal Audit considers the final figures for the 11 performance indicators provided and reported in the LGBF return 2020/21 to be reasonable and accurate, after noted amendment. The individual data collection methods applied by the Services are adequate though there is scope for improvement in the process and Management oversight (specifically implementation of the outstanding recommendation) to ensure data is complete, accurate and provided on time.</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Borders Audit Committee</p> <p>15 June 2021</p> <p>(Source: Minutes of meeting on NHS Borders website, considered by Board 7 October 2021)</p>	Strategic Risk Register – Update on Internal Audit Recommendations	Internal Audit had been asked to look at subject matters on risk registers in other Health Boards to allow Borders to use as a benchmark and highlight areas which could be looked at in the future.	The context has changed significantly due to the response to the Covid19 pandemic and subsequent remobilisation. It was noted that there were 28 risks on the strategic risk register which is greater than what was expected at the start of the exercise and reflects the additional risks now presented across Boards due to the pandemic. The report was to give the Audit Committee assurance that this piece of work had been undertaken and they would now be looking at how these risks will align with the other Governance Committees in terms of ongoing scrutiny and assurance.
	Audit Follow Up Report	Follow up on progress by Management with the implementation of Internal Audit recommendations.	Advised in some instances that no update on progress had been received from Management, target dates have had to be flexible and have been put back due to the pandemic, and Internal Audit would continue to monitor through the follow up report. The Audit Committee however noted that it was not normal practice to have so many outstanding actions within the follow up report.
	Internal Audit Report – Covid19 Financial Controls	Planned assurance audit.	Partial assurance with improvement required. One medium and two low risk findings. Medium risk finding related to the application of the Covid19 Scheme of Delegation. Findings that: 22 out of the 25 sample of Covid spend selected had not been approved in line with the Covid19 Scheme of Delegation; and the Covid19 delegated authorities were not reflected in PECOS ensuring that spend across the Covid19 cost centres is authorised accordingly. Additional testing against the original NHS Borders Scheme of Delegation identified two exceptions where items of expenditure had been approved by individuals without delegated authority. Two low risk findings: there was no formal process and procedure documentation relating to Covid19 expenditure for reporting to Scottish Government (SG); and there were inconsistencies found in the LMP submission including Covid19 expenditure not approved in line with SG limits.
NHS Borders Audit			

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Committee 15 June 2021 (cont'd)	Internal Audit Report – Waiting Times	Planned assurance audit.	No assurance and two high risk findings had been reported. First high risk finding: monthly sampling and checking of patient waiting times is not operating in line with NHS Scotland guidance. Second high risk finding: governance arrangements have not been operating consistently resulting in a lack of scrutiny.
	Internal Audit Report – Primary Care Improvement Plan (PCIP)	Planned assurance audit.	Partial assurance with improvement required and two medium and two low risk findings had been reported. First medium risk finding: there was a lack of detailed action plans at the workstream level with no clear action plan to meet the objectives of the PCIP. Second medium risk finding: there was inconsistencies in the progress reports from each of the workstreams to the PCIP Exec Team; the IJB did not receive a regular update in relation to the PCIP. Low risk findings: there was a lack of KPIs to measure achievement of PCIP priorities for all the workstreams and owing to two key members of staff retiring there was a loss of knowledge and continuity.
	Internal Audit Annual Report 2020/21	Summarises all of Internal Audit's work undertaken during 2020/21 and provides the audit opinion as required by the PSIAS.	Internal Audit's overall opinion for 2020/21 which was noted as partial assurance with improvement required.
	Indicative 3 Year Internal Audit Plan 2021/22 – 2023/24 and Annual Plan 2021/22	To outline the indicative 3 Year Internal Audit Plan 2021/22 - 2023/24 and to propose the planned programme of Internal Audit work for 2021/22.	The Plan is devised taking into account strategic risks facing the organisation, the PSIAS, the audit universe, and NHS Borders' Internal Audit budget. The Plan had been discussed with individual Directors as well as the Board Executive Team. The Plan sets out 102 Internal Audit days which is comparable to prior years and covers six reviews and follow up process.
NHS Borders Audit Committee 20 July 2021	No Internal Audit reports considered at this meeting Source: Minutes of meeting on NHS Borders website, considered by Board 7 October 2021		

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