



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 24 AUGUST 2022**

**2021/22 AND 2022/23 INTERNAL AUDIT PLANS – PROGRESS REPORT**

**REPORT BY TONY GASKIN, CHIEF INTERNAL AUDITOR**

**ABSTRACT**

The aim of this paper is to brief the Audit Committee on progress against the 2021/22 Internal Audit Plan as well as work in progress relating to the 2022/23 plan. This report also includes internal audit reports that were commissioned by the partner Audit and Risk Committees, where the outputs are considered relevant for assurance purposes to Angus IJB, for information.

**1. RECOMMENDATION**




The Audit Committee is asked to note the progress against the 2021/22 Internal Audit Plan and work undertaken relating to 2022/23.

**2. BACKGROUND**

The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor (CIA) reports periodically to the Audit Committee on activity and performance relative to the approved annual plan. We have previously set out that audit work is planned so as to allow the Chief Internal Auditor to provide the necessary assurances prior to the signing of the accounts.

As previously reported, staffing issues affected both the Angus Council and NHS Tayside Internal Audit services throughout the year, including redeployment, long term sickness absence and staff absence due to Covid19. The NHS Tayside team continues to be supplemented by staff based in the other FTF Client Health Boards and by temporary staff. All 2021/22 outstanding audits have now been issued in draft. Due to the complexity of the areas under review, in particular, the Primary Care strategic risk review, finalisation of reports is ongoing. All 2021/22 audits will be concluded over the summer months and reported to the November 2022 Audit Committee.

The progress of each audit has been risk assessed and a RAG rating added showing an assessment of Internal Audit progress using the following definitions:

Risk Assessment		Definition
Green		<b>On track or complete</b>
Amber		<b>In progress with minor delay</b>
Red		<b>Not on track (reason to be provided)</b>

Resources to deliver the plan are provided by the NHS Tayside and Angus Council Internal Audit Service.

Appendix 1 sets out progress on the 2021/22 Plan, as well as the 2022/23 Plan. An equivalent report will be produced routinely for all Audit Committee meetings.

### 3. CURRENT POSITION

Progress on the outstanding items from the 2021/22 Internal Audit Plan is as noted below. Draft reports have now been issued for all assignments:

- Sustainability of Primary Care Services (AN05/22):
  - Draft report issued 19 May 2022 with comments received from stakeholders. Draft report is with Chief Officers for management response.
- Commissioned Service Providers (AN06/22):
  - Draft report issued on 9 August 2022.(See separate Agenda item)

The 2022/23 Internal Audit Plan was agreed at the June 2022 meeting. Progress is incorporated in Appendix 1 below:

- Audit Planning (AN01/23)
  - Complete
- Audit Management (AN02/23)
  - Ongoing
- Annual Internal Audit Report 2021/22 (AN03/23):
  - Complete

In order that all parts of the system receive appropriate information on the adequacy and effectiveness of internal control within their purview, including controls operated by other bodies which impact on their control environment, an output sharing protocol was developed and approved by all partners' respective Audit/Audit and Risk Committees which covers the need to share internal audit outputs beyond the organisation that commissioned the work, in particular where the outputs are considered relevant for assurance purposes. The following reports are considered relevant and are summarised here for information:

#### NHS Tayside reports:

A summary of the findings of internal audit report T29/22 (Missing Clinical Psychology Case Records) was provided to the April 2022 Angus IJB Audit Committee, who requested that updates be provided. Fieldwork is now underway on a follow up review. Once finalised, a summary of the report will also be provided to the Angus IJB Audit Committee.

**Angus Council reports:**

Report Description	Opinion	Key findings
Procurement – Tendering Exemptions	Limited Assurance	<p>Areas Identified for Improvement:</p> <p><b>Level 1 –</b></p> <ul style="list-style-type: none"><li>• Prior to the annual report on Exemptions being prepared Directorate and Corporate Exemption Registers should be combined to ensure all Exemptions are reported.</li><li>• A process should be put in place to ensure all exemptions have a written contract, as per Fin. Reg. 16.24.11 and appropriate award notices are published on the Public Contracts Scotland portal.</li><li>• The annual reporting of exemptions to the Policy and Resources Committee should be reinstated immediately, in line with Financial Regulation 16.24.13. The next report will be presented on 25 October 2022.</li></ul> <p><b>Level 2 –</b></p> <ul style="list-style-type: none"><li>• The Standing Exemptions List should be reviewed as a matter of urgency, and then reviewed annually.</li><li>• The exemption forms held by Procurement staff should be reviewed to ensure they have all the appropriate authorisation and dates completed, to provide a complete trail of the authorisation process.</li><li>• Once the exemptions form template has been updated and is available on the Procurement guidance page, all Directorates should be informed of the change and reminded to use the new format.</li><li>• Directorates should be reminded to follow the guidance per the Financial Regulations and maintain a record of all authorised exemptions, utilising a corporate format, with checks performed to ensure these are kept up to date.</li><li>• As part of the ongoing review of procurement across the Council, management should consider moving individual Service Exemption Registers to one central register held and managed by the Procurement team. This would require changes to the Financial Regulations as well as</li></ul>

		<p>procurement guidance.</p> <p><b>Level 3 –</b></p> <ul style="list-style-type: none"> <li>The Procurement Guidance Notes should be reviewed and updated to ensure links can be opened and the narrative is still relevant.</li> </ul>
IT Project Management	Substantial Assurance	<p><b>Areas Identified for Improvement:</b></p> <p><b>Priority 2</b></p> <ul style="list-style-type: none"> <li>Responsibility and accountability for completion of Data Privacy Impact Assessments (DPIAs) is unclear, leading to these not being routinely considered as part of projects. We identified several projects / developments where there were new or revised instances of personal data processing.</li> </ul> <p><b>Priority 3</b></p> <ul style="list-style-type: none"> <li>Formal processes should be implemented to confirm that agreed project/development methodologies are being complied with and applied consistently in practice.</li> <li>There is a need for consistency in the documentation of lessons learned. We were able to identify some examples of lessons learned activities being performed.</li> <li>Requirements for User Acceptance Testing should be clearly defined and based on factors including complexity, risk, personal data being processed etc.</li> <li>Business cases which include benefits cases should be developed for all proposed IT development / project activity.</li> </ul> <p><b>Wider Learning Points:</b></p> <ul style="list-style-type: none"> <li>The main issue identified from our audit work related to the completion of Data Privacy Impact Assessments (DPIAs). Service management and wider staff should be reminded of the importance of performing DPIAs wherever there is new processing of personal data and/or changes to existing business processes where personal data is processed.</li> </ul>

**Other Tayside IJB reports:**

N/A

**4. FINANCIAL IMPLICATIONS**

There are no direct financial implications.

**5. RISK**

The internal audit planning process which produces the Annual Internal Audit Plan takes into account the risk profile of the IJB. Individual internal audit assignments identify the key risks at the planning stage and our work is designed to evaluate whether appropriate systems are in place and operating effectively to mitigate the risks identified. Legislative requirements are a core consideration in planning all internal audit reviews.

**6. OTHER IMPLICATIONS (IF APPLICABLE)**

N/A







**7. EQUALITY IMPACT ASSESSMENT**




An Equality Impact Assessment is not required.

All internal audit reviews which involve review of policies and procedures will examine the way in which equality and diversity is incorporated within documentation.

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List of Appendices: Appendix 1 – Internal Audit Progress Report

Ref	Audit	Indicative Scope	Target Committee	Audit	RAG status Of Internal Audit Progress	Planning stage	Work in Progress	Draft Issued	Complete	Grade
<b>2021/22</b>										
<b>AN01-22</b>	Audit Planning	Agreeing audit universe and preparation of strategic plan.	June 2021			✓	✓	✓	✓	N/A
<b>AN02-22</b>	Audit Management	Liaison with management, Pre-Audit Committee liaison with Chief Finance Officer and attendance at Audit Committee.	Ongoing			✓	✓	✓	✓	N/A
<b>AN03-22</b>	Annual Internal Audit Report (2020/21)	CIA's annual assurance statement to the IJB and review of governance self-assessment.	June 2021			✓	✓	✓	✓	N/A
<b>AN04a-22</b>	Governance & Assurance	Support during review or update of the Integration Scheme.	Ongoing	plus report-		✓	✓	✓	✓	N/A
<b>AN04b-22</b>		Attendance at Charging Group to provide ongoing advice on required improvements	yearend /June 2022			✓	✓	✓	✓	N/A
<b>AN05-22</b>	Sustainability of Primary Care Services	Review the controls established to manage Strategic Risk 01 - Sustainability of Primary Care Services.  The scope will review selected controls to mitigate the risk.	December 2021 June 2022 November 2022 <sup>1</sup>			✓	✓	✓		
<b>AN06-22</b>	Commissioned Service Providers	Review the controls established to manage Strategic Risk 11 – Commissioned Service Provider failure:  The scope will be to review selected controls to mitigate the risk.	December 2021 June 2022 August 2022 <sup>2</sup>			✓	✓	✓		

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<b>2022/23</b>										
<b>AN01-23</b>	Audit Planning	Agreeing audit universe and preparation of strategic IA plan.	June 2022			✓	✓	✓	✓	<b>N/A</b>
<b>AN02-23</b>	Audit Management	Liaison with management, Pre-Audit Committee liaison with Chief Finance Officer and attendance at Audit Committee.	Ongoing			✓	✓			
<b>AN03-23</b>	Annual Internal Audit Report (2021/22)	CIA's annual assurance statement to the IJB and review of governance self-assessment.	June 2022			✓	✓	✓	✓	<b>N/A</b>

<sup>1</sup> The complexities of both the risk and its governance arrangements have impacted on the date for completion. The report was issued in draft on 19 May 2022. However, as the audit was jointly commissioned by Angus and Perth & Kinross IJBs and NHS Tayside the report and management responses will have to be agreed with a number of individuals across several organisations. The draft report at this stage is graded as providing limited assurance.

<sup>2</sup> Staffing issues both within the Angus Council IA service and within the service to be reviewed have impacted on completion of this audit. Further questions arose after the initial fieldwork was completed. This additional work has now been completed and a draft report issued, graded as providing limited assurance.