



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 26 APRIL 2023

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 the completion of the 2021/22 Internal Audit Plan as well as progress against the 2022/23 plan and work relating to 2023/24. 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 IJB Audit Committee is asked to note the completion of the 2021/22 Internal Audit Plan and work undertaken relating to 2022/23 and 2023/24.

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.

The 2021/22 audit plan is now complete, (See separate agenda item regarding the final report on Primary Care). Working with our partners in Angus Council, we are committed to ensuring that internal audit assignments are reported to the target Audit Committee. Fieldwork is now complete on all 2022/23 internal audit assignments and draft reports will be issued to management shortly. In addition, at the request of management, Internal Audit have undertaken additional work from the 2023/24 Annual Internal Audit plan (See separate agenda items on the role of the CFO and the Financial regulations). While the 2023/24 Annual Internal Audit plan is due to be presented for approval at the next Audit Committee meeting progress on non-discretionary elements of the provisional plan is incorporated in Appendix 1 below.

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		On track or complete
Amber		In progress with minor delay
Red		Not on track (reason to be provided)

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

Appendix 1 sets out progress on the 2022/23 Plan, as well as the 2023/24 Plan. An equivalent report will be produced routinely for all Audit Committee meetings.

3. CURRENT POSITION

Progress on the outstanding item from the 2021/22 Internal Audit Plan is as noted below:

- Sustainability of Primary Care Services (AN05/22):
 - Final report (see separate Agenda item)

The 2022/23 Internal Audit Plan was agreed at the June 2022 meeting. Progress is incorporated in Appendix 1 below with the following highlighted since the last Audit Committee:

- Audit Management (AN02/23)
 - Complete
- Workforce planning (AN04/23)
 - Fieldwork complete/ Report being drafted
- Finance (AN05/23)
 - Fieldwork complete/ Report being drafted

Progress on non-discretionary elements of the provisional 2023/24 plan is also incorporated in Appendix 1 below:

- Audit Management (AN02/24)
 - In progress
- Annual Internal Audit Report 2022/23 (AN03/24):
 - In progress
- Governance & Assurance (AN04/24)
 - Complete (See separate agenda items)

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 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. It should be noted that the respective Audit and Risk Committees of the commissioning bodies are responsible for scrutiny of implementation of actions.

NHS Tayside reports:

Report	Opinion	Key findings
T23/23 Workforce Planning	Limited	<p>The audit identified that the current NHS Tayside Workforce Plan and associated action only sets out the currently employed workforce, with some associated data which were not analysed in sufficient depth beyond the broad implication for the Workforce and the service that will be required to be delivered. Significantly, it does not set out the workforce which will be required in future, nor an effective series of actions to deliver that workforce.</p> <p>The full report can be accessed under page 90 in the following link:</p> <p>https://www.nhstaysidecdn.scot.nhs.uk/NHSTaysideWeb/idcplg?IdcService=GET_SECURE_FILE&dDocName=PROD_362186&Rendition=web&RevisionSelectionMethod=LatestReleased&noSaveAs=1</p>
T08/23 ICE	N/A	<p>The Internal Control Evaluation (ICE) is undertaken each year to provide assurance on the overall systems of internal control that support the achievement of the Board's objectives. This review provides early warning of any significant issues that may affect the Governance Statement. This final report contains 11 recommendations, intended to embed good governance principles and to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance. NHS Tayside has successfully managed shorter term operational risks, ensuring continuation of service delivery and good performance throughout the pandemic. The focus must now be on management of longer term risks, most importantly the Waiting Times risk, and development of overall Strategy. The report highlights the worsening external environment and, as previously, the importance of an achievable strategy accompanied by realistic objectives and robust prioritisation.</p> <p>The full report can be accessed under page 40 in the following link:</p> <p>https://www.nhstaysidecdn.scot.nhs.uk/NHSTaysideWeb/idcplg?IdcService=GET_SECURE_FILE&dDocName=PROD_365449&Rendition=web&RevisionSelectionMethod=LatestReleased&noSaveAs=1</p>

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 and updates have been included in the Internal Audit Progress reports since. Progress on further work is being monitored by the NHS Tayside Audit & Risk Committee and, once finalised, a summary of the report will also be provided to the Angus IJB Audit Committee.

Angus Council reports:

Report Description	Assurance	Key findings
Continuous auditing Payroll	Comprehensive	All identified instances were explained satisfactorily. There was one incorrect payment in the top 10 payments, however this had already been identified and was being rectified at the time of Angus Council Internal Audit audit work.

Continuous auditing Creditors Duplicate payments	Substantial	There were no duplicate payments identified in October or December 2022. In November there were two duplicate payments identified, each relating to the same supplier for a recurring amount below £20. Refunds are being arranged. Angus Council Internal Audit identified that there were two accounts for the supplier, and these will be merged to help avoid duplicate payments in future.
Comfort Funds	Substantial	<p>Comfort Funds are defined as funds raised on behalf of an establishment, not belonging to or due to be rendered to Angus Council. Council establishments which hold Comfort Funds are generally residential care homes or day care centres.</p> <p>Angus Council Internal Audit made 10 recommendations of which the following two are assessed as level 1:</p> <ul style="list-style-type: none"> • The 2013 guidance on managing Comfort Funds should be reviewed, updated and uploaded onto the AHSCP intranet for all staff to adhere to, reflective of current good practice. Staff should be made aware of the updated guidance, and training on the Comfort Funds procedures should be implemented by Managers where necessary. • A register of funds should be held within the AHSCP service as detailed in section 32.3 of the Financial Regulations.

Other Tayside IJB reports:

No applicable reports at this time

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.

REPORT AUTHOR: Mr A Gaskin, B.Sc., ACA., Chief Internal Auditor





E-mail details: tony.gaskin@nhs.scot

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
2022/23										
AN01-23	Audit Planning	Agreeing audit universe and preparation of strategic IA plan.	June 2022			✓	✓	✓	✓	N/A
AN02-23	Audit Management	Liaison with management, Pre-Audit Committee liaison with Chief Finance Officer and attendance at Audit Committee.	Ongoing			✓	✓	✓	✓	N/A
AN03-23	Annual Internal Audit Report (2021/22)	CIA's annual assurance statement to the IJB and review of governance self-assessment.	June 2022			✓	✓	✓	✓	N/A
AN04-23	Workforce	Scope: coherent, co-ordinated, adequate and effective approach to managing significant workforce risks. Strategic & operational responses across the totality of the workforce, including contracted services and 3 rd sector	December 2022 June 2023 ¹			✓	✓			
AN05-23	Finance	Scope: Financial monitoring and reporting is complete, relevant, sufficient and reliable; Validation of Self Assessment against CIPFA Chief Financial Officer Checklist	April 2023 June 2023 ²			✓	✓			

¹ Work on this audit was delayed pending the update of the strategic risk, feedback from Scottish Government on the workforce plan and completion of work on the NHS Tayside workforce audit. Fieldwork is now progressing well and we expect to issue the draft report in the coming weeks.

² Work on this audit was delayed due to a delay in agreeing the scope. Initial fieldwork has been completed and reviewed and issue of the draft report is imminent.

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2023/24										
AN01-24	Audit Planning	Agreeing audit universe and preparation of strategic plan.	June 2023			✓				
AN02-24	Audit Management	Liaison with management, Pre-Audit Committee liaison with Chief Finance Officer and attendance at Audit Committee.	Ongoing			✓				
AN03-24	Annual Internal Audit Report (2022/23)	CIA's annual assurance statement to the IJB and review of governance self-assessment.	June 2023			✓	✓			
AN04-24	Governance & Assurance	Ad hoc advice and support to management on matters of governance and assurance.	April 2023			✓	✓	✓	✓	N/A