



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 13 DECEMBER 2023

2023/24 INTERNAL AUDIT PLAN – PROGRESS REPORT

REPORT BY JOCELYN LYALL, CHIEF INTERNAL AUDITOR

ABSTRACT

The aim of this paper is to brief the Audit Committee on the progress of the 2023/24 Annual Internal Audit 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 work undertaken relating to the 2023/24 Internal Audit Plan.

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.

Working with our partners in Angus Council, we are committed to ensuring that internal audit assignments are reported to the target Audit Committee. Progress on the 2023/24 Annual Internal Audit Plan is on track and is set out in Appendix 1.

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 Annual Internal Audit Plan are provided by the NHS Tayside and Angus Council Internal Audit Services.

Appendix 1 sets out progress on the 2023/24 Annual Internal Audit Plan. An equivalent report will be produced routinely for all Audit Committee meetings.

3. CURRENT POSITION

The 2023/24 Annual Internal Audit Plan was agreed at the August 2023 meeting. Progress is incorporated in Appendix 1 and updates since the last Audit Committee are summarised below:

- Audit management (AN02/24)
 - Ongoing
- Internal Control Evaluation (AN05/24)
 - Fieldwork commenced
- Follow up of Internal Audit AN05/21 Charging for Services (AN06/24)
 - Planning commenced

So 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. This 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 Description	Assurance	Key findings
T15/23 Strategic Planning	Reasonable assurance	<p>Strategic Risk 1316 – Development of Strategy focuses on failure to develop a fit for purpose organisational strategy resulting in the inability to deliver safe, effective care and clinical services.</p> <p>The scope of this audit reflected work proportionate to the organisation's stage of strategic development. We will provide input to the development and implementation of Strategy during 2023-24.</p> <p>Internal Audit previously reported the requirement to ensure effective governance and oversight of strategy development, so that the Board can be engaged at all stages of the process, approve key strategic assumptions and principles, and formally scrutinise arrangements in line with an agreed timetable. While senior officers are clear that development of key strategic direction is necessary, this is not yet visible within reporting to Board and Standing Committees.</p> <p>The Deputy Chief Executive commenced on 6 November 2023 and will provide overall direction and ensure consistency across all elements of the new strategy.</p> <p>We have identified key features that should be incorporated in the strategy development process. Management have noted</p>

		<p>these recommendations and agreed that they will be addressed more fully by the Deputy Chief Executive.</p> <p>Once a strategy project plan and timetable has been developed by the Deputy Chief Executive, and approved by the Board, the Board Secretary will ensure that the reporting arrangements are embedded within Tayside NHS Board's work plan.</p> <p>As the organisation starts to consider medium and longer-term strategy, this would be an opportune time to undertake a full stock take of previous transformative projects to determine if and how they fit with NHS Tayside's longer-term strategy (when agreed) and enhance sustainable service delivery, as well as learning key lessons from both successes and failures which will increase the likelihood of successful transformation in future.</p> <p>This risk has been further developed to include controls and action following receipt of the draft of this report.</p>
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Angus Council reports:

Report Description	Assurance	Key findings
Payroll	Substantial Assurance	<p>Good Practice:</p> <p>We have identified the following areas of good practice:</p> <ul style="list-style-type: none"> • There is segregation of duties when making updates to Payroll system parameters. • There are templates and checklists in place, such as for payroll reworks and payroll processing. • Planned Improvements/ Changes: • New structure as suggested in the Staffing and Payroll Service Review • Plans are in place to collate all payroll guidance and documented procedures in one area on SharePoint. • Proposed update in procedures to reduce Faster/Chaps Payments (Emergency Payments). • Currently working on digitising some of the processes which will lead to more automation. <p>Areas Identified for Improvement: During the audit we identified a number of areas for improvement, and have made the following recommendations (Priority 1 reproduced here)</p> <ul style="list-style-type: none"> • Update the payroll timetable to include the schedule for processing deductions and paying tax payments and any other payments to statutory/regulatory bodies. • When correcting errors or making emergency payments, back-up documentation identifying the error and reason for the payment should be retained and all details correctly recorded in the "Retain Spreadsheet". • Official documents to authorise payments should be endorsed with PDF stamps ensuring authentic authorisation.

		<ul style="list-style-type: none"> The Scheme of Delegation should be reviewed to ensure that there is adequate cover to enable all documents relating to emergency/retained payments to be processed with proper authorisation; staff should also be made aware of limits that are attached to their roles.
IT Asset Hardware Inventory	Substantial Assurance	<p>Future Developments:</p> <p>A new software system, AskIT (from supplier Marval), an inhouse development is to replace the current Ivanti database which records hardware inventory. The replacement is due to be installed by the end of 2023.</p> <p>Areas Identified for Improvement:</p> <p>Areas Identified for Improvement: During the audit we identified a number of areas for improvement, and have made the following recommendations (Level 1 reproduced here)</p> <ul style="list-style-type: none"> Reconciliation of physical stock and stock records should be completed annually in line with best practice and details of these reconciliations kept. This should be done for any item valued at over £100. This does not have to be at the financial year end but can be scheduled to suit any quieter periods for staff. An IT Asset Management Plan should be developed and approved. This should be reviewed annually and should include the details of the defined lifecycle for each asset type, and defined criteria for the disposal of assets.

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.

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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
AN01-24	Audit Planning	Agreeing audit universe and preparation of strategic plan.	June 2023 August 2023			✓	✓	✓	✓	N/A
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			✓	✓	✓	✓	N/A
AN04-24	Governance & Assurance	Ad hoc advice and support to management on matters of governance and assurance.	April 2023			✓	✓	✓	✓	N/A
AN05-24	Internal Control Evaluation	Holistic assessment of the internal control environment in preparation for production of 2023/24 Annual Report. Follow-up of previous agreed governance actions including Internal Audit recommendations.	April 2024 (Fieldwork target Jan-March 24)			✓	✓			
AN06-24	Follow up of Internal Audit AN05-21 – Charging for Services Process	Review of progress to address recommendations from internal audit consultancy work reported in AN05/21, covering management of charging processes for Adult Social Care Services.	April 2024 (Fieldwork target Jan-Feb 24)			✓				