



**ANGUS INTEGRATION JOINT BOARD AUDIT COMMITTEE – 24 APRIL 2024**

**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 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. The 2023/24 Annual Internal Audit Plan is substantially complete, and progress 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		<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 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)
  - Complete
- Internal Control Evaluation (AN05/24)
  - Final stage of fieldwork
- Follow up of Internal Audit AN05/21 Charging for Services (AN06/24)
  - Final report issued - see separate agenda item

So that all parts of the system receive appropriate information on the adequacy and effectiveness of internal control relevant to them, 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 partners are responsible for scrutiny of implementation of actions.

#### NHS Tayside reports:

Report Description	Assurance	Key findings
T08/24 - Internal Control Evaluation	Reasonable assurance	<p>The Internal Control Evaluation (ICE) is undertaken each year by Internal Audit to provide assurance on the overall systems of internal control that support the achievement of the Board's objectives.</p> <p>This review provides early warning of any significant issues that may affect the Governance Statement.</p> <p>This report provided Reasonable Assurance that governance arrangements are sufficient, either in design or in execution, to control and direct the organisation to ensure delivery of sound strategic objectives.</p> <p>The ICE reported the significant financial challenge for NHS Tayside and its IJB partners, and the unprecedented 2024/25 financial challenges will require NHS Tayside and the IJBs to fully work together in partnership. Collaborative governance, which is a key feature of the Blueprint for Good Governance, requires a clear understanding of where responsibilities lie and requires trust and willingness from all parties to work together, with the right culture in place to support all those involved. When health and social care systems come under pressure, there is a risk that collaborative governance is not achieved. Partners need to work together to ensure that they deliver on the integration agenda and must ensure they are clear on their responsibilities in line with the Integration Schemes, and that they fulfil their roles accordingly in the true spirit of integration. Consideration may also need to be given to any implications of the delayed implementation of the National Care Service.</p> <p>NHS Tayside management agreed actions in relation to:</p> <ul style="list-style-type: none"> <li>• Application of the Best Value Framework.</li> <li>• Further development of assurance reporting to the Care Governance Committee.</li> <li>• Enhancement of the Waiting Times risk assurance report to reflect person-centred aspects.</li> </ul>

		<ul style="list-style-type: none"> <li>• Inclusion of risks relating to the successful implementation of the Mental Health and Learning Disability Whole System Programme in the risk registers for each of the three IJBs and NHS Tayside.</li> <li>• Review the 'Procedure for External Inspections / Visits to NHS Tayside by Regulatory and Other External Bodies'.</li> <li>• Replication of the overarching Key Performance Indicator charts currently presented to the Care Governance Committee within assurance reports for acute services, Mental Health services and Health &amp; Social Care Partnerships.</li> <li>• Revisit the current format and content of existing dashboard reporting to the Staff Governance Committee, including 'Limited Assurance' reports.</li> </ul>
T25/23 - Whistleblowing	Reasonable Assurance	<p>Internal audit concluded that:</p> <ul style="list-style-type: none"> <li>• Robust assurance on the operation of the Whistleblowing process is provided to the Staff Governance Committee supported by reliable and efficient evidence.</li> <li>• Learning, changes or improvements to services or procedures are implemented following Whistleblowing concerns.</li> <li>• Key Performance Indicators required by the Standards are regularly reported through governance structures, and performance is acceptable with remedial action taken where required.</li> </ul> <p>We welcomed NHS Tayside's emphasis on improvement in this important area, however given the wider sector challenges associated with whistleblowing processes, it is vital that NHS Tayside continue to further embed its whistleblowing arrangements and culture. We emphasised the need to maintain progress.</p>

**Angus Council reports:**

Report Description	Assurance	Key findings
Continuous Auditing – Payroll	Comprehensive Assurance	No errors were identified from testing for October to December 2023.
Continuous Auditing – Creditors Duplicate Payment	Substantial Assurance	Two duplicate payments were identified in October 2023 totalling £23,162, and two in November 2023 totalling £977. One further potential duplicate payment is still under investigation. Recovery action is in progress.

**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

Appendix 1

Ref	Audit	Indicative Scope	Target Committee	Audit	RAG status Of Internal Audit Progress	Planning stage	Fieldwork stage	Draft report stage	Complete	Opinion
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.	Complete			✓	✓	✓	✓	N/A
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)			✓	✓	✓	✓	Substantial assurance

\*To be discussed at management team before being reported to Audit Committee