Aberdeenshire Health & Social Care Partnership

Internal Audit

IJB Audit Committee
Internal Audit Update Report
May 2024

Contents

1 Executive Summary

1.1 Introduction and background

Internal Audit's (IA) primary role is to provide independent and objective assurance on the Integration Joint Board's (IJB) risk management, control, and governance processes. This requires a continuous rolling review and appraisal of the internal controls of the Board involving the examination and evaluation of the adequacy of systems of risk management, control, and governance, making recommendations for improvement where appropriate. Reports are produced relating to each audit assignment and presented when finalised to the IJB Audit Committee. Along with other evidence, these reports are used in forming an annual opinion on the adequacy of risk management, control, and governance processes.

This report advises the IJB Audit Committee of Internal Audit's work since the last update. Details are provided of the progress against the approved 2023/24 Internal Audit Plan, audit recommendations follow up, and other relevant matters for the Committee to be aware of.

1.2 Highlights

Full details are provided in the body of this report however Internal Audit would like to bring the Committee's attention that since the last update:

- Work is underway with delivery of the 2023/24 Internal Audit Plan.
- Work is underway by Management to close off the outstanding audit recommendations.

1.3 Action requested of the IJB Audit Committee

The IJB Audit Committee is requested to note the contents of this report and the work of Internal Audit since the last audit.

2 Internal Audit Progress

2.1 2023/24 Audits

Service	Audit Area	Position
Council Led HSCP Services	Self-Directed Support Payments	**Final Report Issued**
Council Led HSCP Services	Social Care Commissioning – Support at Home	**Final Report Issued**
IJB	IJB Asset Management	**Review In Progress**

2.2 Follow up of audit recommendations

Public Sector Internal Audit Standards require that Internal Audit report the results of its activities to the Committee and establishes a follow-up process to monitor and ensure that management actions have been effectively implemented.

As at the 31 March 2024, four audit recommendations were open (either as the original planned date of implementation or through an agreed extension).

As part of the audit recommendations follow up exercise, Management closed two recommendations and provided an update for another but no response was received for the remaining action. Section 4 – Audit Recommendations Follow Up – Outstanding Actions Provides details of the individual recommendations.

Section 3 Grading of Recommendations provides the definitions of each of the ratings used.

3 Grading of Recommendations

Risk Level	Definition
Strategic	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.
Directorate	This issue / risk level has implications at the directorate level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of policy within a given directorate.
Service	This issue / risk level impacts at the Business Plan level (i.e. individual services or departments as a whole). Mitigating actions should be implemented by the responsible Head of Service.
Programme and Project	This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned.

Net Risk Rating	Description	Assurance Assessment
Minor	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	**Substantial**
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	**Reasonable**
Major	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	**Limited**
Severe	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	**Minimal**

Individual Issue / Risk Rating	Definitions
Minor	Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money. Action should be taken within a 12 month period.
Moderate	An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness. Action should be taken within a six month period.
Major	The absence of, or failure to comply with, an appropriate internal control, which could result in, for example, a material financial loss. Action should be taken within three months.
Severe	This is an issue / risk that could significantly affect the achievement of one or many of the Council's objectives or could impact the effectiveness or efficiency of the Council's activities or processes. Action is considered imperative to ensure that the Council is not exposed to severe risks and should be taken immediately.

4 Audit Recommendations Follow Up – Outstanding Actions

Report	Ref	Recommendation	Grading	Original Due Date	Current Due Date	Committee Update	Status
1924 - Budget Setting, Monitoring & Financial Reporting	2.1.5	The Partnership should document procedures setting out the requirements of and controls which govern its budget setting, monitoring, and reporting processes.	**Moderate**	Mar-24	Jun-24	Management met with Internal Audit in April and provided an update on their work to develop operational procedures. Extension required to allow for completion.	**In Progress**
2230 - Elderly Residential Care	2.3.7	The Service should ensure contracts are in place and included in the contracts register for all relevant expenditure.	**Moderate**	Mar-24	Mar-24	No update provided.	**No Update Provided**