

REPORT TO ABERDEENSHIRE INTEGRATION JOINT BOARD 10 MAY 2023

IJB AUDIT COMMITTEE UPDATE REPORT

1 Recommendation

The Integration Joint Board (IJB) is recommended to:

1.1 Note the following key points and assurances from the Committee in relation to audit matters.

2. Reason for Report

2.1 This report updates the Aberdeenshire IJB on key issues arising from the Committee meeting on 1st March 2023.

3. Meeting Minute of 7th December 2022 and Action Log

3.1 The minute was approved for accuracy and the action log was reviewed.

3.2 An update was provided by Officers regarding Audit Governance following a meeting on 17th February 2023 with the Chairs and Vice Chairs of IJB, IJB Audit Committee and Aberdeenshire Councils Audit Committee, along with the AHSCPs Chief Officer, Chief Finance & Business Officer and Aberdeenshire Councils Chief Internal Auditor and Legal Manager, it was agreed that a diagram will be developed outlining the system of governance, risk management and control by Aberdeenshire Council's Legal service and this will be presented to the next meeting of the IJB Audit Committee in July 2023.

3.3 Relating to 3.2 an update was also provided by officers regarding a report providing clarity in terms of Internal Audit Reports that fall to be considered by both Aberdeenshire Council Audit Committee and IJB Audit Committee. A report providing clarity will be presented to the next meeting of the IJB Audit Committee in July 2023 in line with the diagram being developed by Aberdeenshire Council's Legal service.

3.4 An update was provided on the National Care Service by officers informing the IJB Audit Committee that the IJB have engaged in the Scottish Government National Care Service co-design and are a GIRFE pathfinder site. The timeline for the National Care Service will be nationally driven and we will work alongside that timetable and update IJB and IJB Audit Committee accordingly.

4. Business Planner Review

4.1 The IJB Audit Committee Business Planner was presented by officers for the period up to December 2023 and was agreed by the Committee. Officers highlighted the business in July regarding the Annual Report from the Chief Internal Auditor and also the Progress Report from External Audit regarding 2022/23 along with the presentation of the unaudited annual accounts for 2022/23.

5. Internal Audit Update Report

- 5.1 The Chief Internal Auditor presented a report detailing progress with the Internal Audit Plan and progress regarding implementation of recommendations.
- 5.2 An update was provided on the progress of the 2022-23 audits, highlighting that the IJB Governance Arrangements report had been issued, whilst 3 other reports relating to Adults with incapacity (management of funds), Criminal Justice and Day Care Establishments were currently under review.
- 5.3 Regarding the follow up of Audit Recommendations the latest position was as follows –

As at 31 January 2023 (the baseline for the Internal Audit exercise), 30 audit recommendations were due and outstanding:

- 12 rated as Major.
- 11 rated as Moderate.
- Seven rated as Minor.

As part of the audit recommendations follow up exercise, nine audit recommendations were closed. The position going forward is that of 21 outstanding audit recommendations:

- Seven rated as Major.
- Eight rated as Moderate.
- Six rated as Minor.

For 21 outstanding audit recommendations:

- Nine – No response provided, with Management providing an update at Committee
- 12 – In progress, on which:
 - One – Evidence to be provided to close the recommendation.
 - Four – New implementation date to be agreed.
 - Seven – Updates provided and management working on

6. Internal Audit Reports

- 6.1 The Chief Internal Auditor presented a report advising the IJB Audit Committee of the outcomes of completed audits.
- 6.2 The completed audits reported to Committee were as follows –
- Internal Audit Report 2226 – Adult Social Care Transport – November 2022
 - Internal Audit Report 2230 – Residential Care – November 2022
 - Internal Audit Report 2212 – Transformational Funding – January 2023
 - Internal Audit Report 2312 – IJB Governance Arrangements – February 2023

6.3 Internal Audit Report 2230 – Residential Care

- 6.3.1 Assurance In general, there are controls over income and expenditure within residential care establishments and assurance has been obtained that these are operating effectively. However, there are variations between establishments. Whilst elements of good practice were identified including staff rota systems, this

was not replicated in other homes. The completeness of income records varies due to differences in recording mechanisms for different circumstances. Expenditure is also not always covered by appropriately tendered and recorded contracts. Recommendations have been made to reconcile income with care home records, and to ensure contracts are in place and recorded for recurring expenditure.

6.4 Internal Audit Report 2226 – Adult Social Care Transport

6.4.1 In general assurance was obtained over procurement of transport where this was facilitated by the PTU. Whilst records varied in quality, there are mechanisms in place to procure, arrange and vary transport provision, and to record and pay for it, in these cases. However, in contrast to the Assisted Transport Policy agreed by the Integration Joint Board (IJB) in 2017 and an accompanying Service Level Agreement (SLA), transport is increasingly being arranged directly with suppliers by HSCP staff. This presents risks in respect of compliance with Financial Regulations, Procurement Legislation, and Protection of Vulnerable Groups, and the arrangements are less well recorded. Controls need to be put in place or enhanced to ensure these risks are mitigated. Whilst updates to the SLA, strategy and Policy are overdue, as identified by an HSCP working group, any change in policy or strategy will need Committee and Board approval.

6.5 Internal Audit Report 2212 – Transformational Funding

6.5.1 Whilst there are projects and workstreams for which progress is regularly being reported to the SPG and IJB, Internal Audit was only able to obtain limited assurance that progress is being made in respect of a randomly selected sample of the projects included in the SDP. Work has been ongoing since March 2021 to develop and refresh procedures to improve consistency and governance in respect of transformational workstreams. Whilst this had been reiterated to the IJB in various reports from the Strategic Planning Group since July 2021, at the point audit fieldwork concluded in November 2022 the work had not been finalised. There was a lack of ownership for some projects, and inconsistencies in project recording and reporting. A lack of capacity, as a result of operational pressures including the continued impact and backlogs as a result of COVID-19, has been highlighted. The Partnership is aware of these challenges and so revised processes are being implemented, including a refresh of the strategic delivery plan, (re)linking transformational workstreams to strategic priorities, a prioritisation process, and (re)establishing project leads, sponsors, and owners. Project documentation has been updated.

6.6 Internal Audit Report 2312 – IJB Governance Arrangements

6.6.1 Internal Audit has identified an overall net risk rating of MAJOR, with LIMITED assurance obtained over this area. Although there is clarity over the IJB's high-level governance arrangements, as set out in an organisational governance framework approved by the IJB in March 2022, and an accompanying Governance Handbook, this does not fully describe all of the groups and reporting lines operating across the Health and Social Care Partnership (HSCP). Whilst an organogram has been shared with IJB members by email, except for the two IJB Committees (the Audit Committee and the Clinical and Adult Social Work Governance Committee), there is limited available information over the remits, agendas and outputs of various strategic delivery and monitoring groups. Further, the Clinical and Adult Social Work Governance Committee does not publish its

reports or minutes and has not reported annually on its effectiveness or an annual improvement plan, as required by its terms of reference. If the IJB is not seen to be acting transparently there is a reputational risk. There is also a lack of forward planning evident, and reduced transparency over the HSCP's strategies, plans, and performance. There is a multitude of individual strategies and plans in respect of various service areas, functions, stakeholder groups and activities. These cover a variety of time periods, not all of which are current, and they do not cover all of the functions and services delegated to the IJB under the Integration Scheme, and the arrangements for carrying out integration functions in each Locality. There is no central published list of strategies and plans, and it is not clear that there are comprehensive, performance measurable plans in place for delivery of each. Clearer planning and tracking of plans at a strategic level is required to demonstrate that all elements of the HSCP's business align with the IJB's strategic direction, and that statutory requirements are being met. Public consultation on a review of the Integration Scheme (the partnership agreement) has yet to be concluded, even though the review itself took place in 2020. Officers set a Workforce Plan for 2022-2025, which is strategic in nature, but due to external deadlines it was not formally reported to the IJB for approval prior to implementation. And there has not been regular reporting to the Council's Communities Committee and Area Committees since 2020. Revised plans have been agreed by the IJB but indicate more focused performance reporting going forward. Emergency powers were delegated to the Chief Officer in March 2020. The Chief Officer is required to maintain a register of all instances and report annually on their use, but this has not taken place since the powers were delegated – though specific cases have been reported to the IJB. Partners, and the IJB itself, require assurance that governance is being applied, and performance is on track or being adequately mitigated. Complete and timely reporting is an essential factor in delivering that assurance.

7. Internal Audit Plan 2023-26

- 7.1 The Chief Internal Auditor presented the draft Internal Audit Plan for 2023-2026 to Committee for discussion and approval.
- 7.2 The IJB Audit Committee reviewed, discussed, commented and approved the Plan with the following Audits planned in the 2023-2026 period –

In 2023/24 -

- IJB Asset Management
- Social Care Commissioning – Support at Home
- Self-Directed Support Payments

In 2024/25 –

- National Care Service
- Care Management System

In 2025/26 –

- Medium Term Financial Strategy
- National Care Service
- Very Sheltered Housing

8. Risk Assurance Group Update

- 8.1 The Committee were provided with an update on the assurance process in relation to the management and review of risks. The Committee were also asked to note the risk register as at 20 February. The Committee also noted that the non-clinical/care (resource) risks are reviewed by the Risk and Assurance Group and Audit Committee and that the clinical and care risks are being reviewed by the Partnership Risk Group and Clinical and Adult Social Work Group on behalf of the Clinical and Adult Social Work Governance Committee.

9. Risks

- 9.1 IJB Risk 1 Sufficiency and affordability of resource.

10. Monitoring

- 10.1 The Chief Officer and the Legal Monitoring Officer within Business Services of the Council have been consulted in the preparation of this report and any comments have been incorporated.

11 Equalities, Staffing and Financial Implications

- 11.1 An equality impact assessment is not required because the recommended actions are not considered to have a differential impact on people with protected characteristics.
- 11.2 Any staffing and financial implications arising directly as a result of this report are narrated in the report.

Amy Anderson

Chair – IJB Audit Committee

Report prepared 1 May 2023